PARK CITY COUNCIL
PARK CITY MUNICIPAL BUILDING AUTHORITY
PARK CITY WATER SERVICE DISTRICT
SUMMIT COUNTY, UTAH
NOVEMBER 15, 2007

PUBLIC NOTICE IS HEREBY GIVEN that the City Council, Municipal Building Authority and Water Service District of Park City, Utah will hold their regularly scheduled meetings at the Marsac Municipal Building, City Council Chambers, 445 Marsac Avenue, Park City, Utah for the purposes and at the approximate times as described below on Thursday, November 15, 2007.

Board Interviews
2:00 p.m. Planning Commission interviews

Work Session
4:00 p.m. Field trip to Peace House
4:40 p.m. Council questions/comments
4:50 p.m. Environmental action plan update
5:20 p.m. Energy audit of City facilities
5:50 p.m. Break

Convene as PARK CITY COUNCIL
6:00 p.m.
I ROLL CALL

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

1. Execution of McPolin Conservation Easement

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

IV WORK SESSION NOTES AND MINUTES OF MEETING OF OCTOBER 25, 2007 AND NOVEMBER 1, 2007

V NEW BUSINESS *(new items with presentations and/or anticipated detailed discussions)*

1. Consideration of a Resolution of the Board of Canvassers certifying the Official Canvassers' Report of the November 6, 2007 General Election for Park City, Utah

2. Consideration of a Resolution finding and promulgating the results of a special bond election held in the City on the question of the issuance by the City of $15,000,000 of general obligation bonds to acquire, construct, improve and modify pathways, roads and related improvements for use by pedestrians and cyclists; and providing for related matters

3. Consideration of a Resolution of the City Council authorizing and approving the execution and delivery of a master lease agreement by and between the City and the Municipal building Authority of Park City, Utah (the “Authority”) a ground lease agreement, a sublease agreement and a bond purchase agreement authorizing the issuance and sale by the authority of its lease revenue bonds, series 2007, in the aggregate principal amount of not to exceed $3,600,000; and related matters.

4. Consideration of an Ordinance approving the Boothill Parcel Plat, located near the corner of Monitor Drive and Kearns Boulevard, Park City, Utah.
   (a) Public hearing
   (b) Action

5. Consideration of an Ordinance accepting the public improvements at and relating to Banner Wood Subdivision and Silver Strike Subdivision
   (a) Public hearing
   (b) Action

6. Consideration of a Construction Agreement and Agreement to Purchase Unit B of the Shell Space Condominiums
   (a) Public hearing
   (b) Action

VI ADDITIONAL DISCUSSION – AGENDA ITEMS

VII ADJOURNMENT

Convene as the PARK CITY MUNICIPAL BUILDING AUTHORITY

I ROLL CALL

II PUBLIC INPUT

III MINUTES OF MEETING OF OCTOBER 11, 2007

IV NEW BUSINESS (new items with presentations and/or anticipated detailed discussions)

Consideration of a resolution of the Municipal Building Authority of Park City, Utah (the "Authority") authorizing and approving the execution and delivery of a master lease agreement, by and between the authority and Park City, Utah; authorizing the issuance and sale by the authority of its lease revenue bonds, Series 2007 (Park City Historical society), in the aggregate principal amount of not to exceed $3,600,000; and related matters.

V ADJOURNMENT

Convene as the PARK CITY WATER SERVICE DISTRICT

I ROLL CALL

II PUBLIC INPUT

III MINUTES OF MEETING OF MARCH 1, 2007

IV NEW BUSINESS (new items with presentations and/or anticipated detailed discussions)

1. Consideration of an Amendment to the Water Supply Agreement with Weber Basin Conservancy District and Mountain Regional Water SSD

2. Consideration of a Contract with Weber Basin Conservancy District and the Bureau of Reclamation for the sale of water

V ADJOURNMENT

A majority of City Council members may meet socially after the meeting. If so, the location will be announced by the Mayor. City business will not be conducted. Pursuant to the Americans with Disabilities Act, individuals needing special accommodations during the meeting should notify the City Recorder at 435-615-5007 at least 24 hours prior to the meeting.

Posted: 11/12/07
See: www.parkcity.org

SCHEDULE OF BOARD INTERVIEWS
NOVEMBER 15, 2007
CITY COUNCIL MEETING CHAMBERS

2:00 – 2:15 – Irene Cho (PC Applicant)
2:15 – 2:30 – Todd Ford (PC Applicant)
2:30 – 2:45 – Paul De Groot (HPB Applicant)
2:45 – 3:00 – Glenn McConkey (PC Applicant)
3:00 – 3:15 – Rob Morris (PC Applicant)
3:15 – 3:30 – Rory Murphy (PC Applicant)
3:30 – 3:45 – Richard Peek (PC Applicant)

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
NOVEMBER 22, 2007

PUBLIC NOTICE IS HEREBY GIVEN that the City Council of Park City, Utah will **not** hold its regularly scheduled meeting on Thursday 22, 2007.

Posted: 11/12/07
See: parkcity.org

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

November 2007
15 **Tom gone**
22 **Thanksgiving**
27 & 28 Fam Tours
29 HPB interviews
WALC interviews - 3-at large positions
1376 Mellow Mountain Road plat amendment
Contract with Johnson Controls – AB
LMC – Chapter 2.21 SLO – KC
Ordinance approving the Subdivision No. 1 Millsite Reservation Plat Amendment located at 200 Ridge Avenue, Park City, Utah
USSA Conduit Financing Resolution

December 2007
6 Amendment to Services Contract - supplemental plans – Sundance 2008 work/action
Property acquisition - MR
13 Swearing in - Sgt Jim Snyder, Sgt Barry Robinson
2008 Insurance Placement - CL
WALC appointment - 3 at-large positions
Approval of the Audit - LC
20
27 **No meeting**

Pending Items:
Resolution - Trails Master Plan
Business market analyses – Phases 1 and 2
Hidden Splendor Court Plat Amendment (continued to date uncertain) KW
JSSD Engineering Agreement (removed from 11/15)
Resolution amending Section ___; Business License Fees, and replacing and repealing Resolution 13-07 in its entirety (removed from 11/15)

City Council Staff Report

Author:	**Alison Butz**
Subject:	**Informational – Update on Environmental Strategic Plan**
Date:	**November 15, 2007**
Type of Item:	**Administrative – Sustainable Communities**

Sustainability Department

Summary Recommendations:
Informational. Review the status of the initiatives identified on the Environmental Strategic plan.

Description:
Environmental Strategic Plan

Background:
In June the City Council adopted an action plan as part of the Environmental Strategic plan for Park City. The City Council agreed to review the plan and modify and/or add additional action steps on a bi-annual basis.

Analysis:
Attached is a brief overview of the action plan and status updates on Council's top priorities. Some of the larger projects that we are working on are summarized below. Ending the list are additional items Council has identified. The entire strategic plan will be reviewed and updated by the Council at the Visioning Session in January.

Energy Audits
Please see separate report as part of the November 15, 2007 packet.

Green Purchasing Policy
As part of the City's Environmental Strategic Plan, a small internal task group of staff was formed to evaluate and draft a Green Purchase Policy. Patricia Abdullah (Planning), Trish Maynard (Library), Seth Atkinson (Budget), Pam Evans (Public Works) and Sharon Bauman (Executive) participated in the development and review. The policy attached is Phase One and focuses on Recycled materials – office supplies, and paper materials. As we move forward and develop more green purchasing measures we will include more diversity to other things such as cleaning products, lifecycle analysis, and furniture.

The task group focused on office supplies and paper material since the paper industry has a significant negative impact to our environment. The paper industry is the second largest consumer of energy in the US and the number one consumer of water. While the policy addresses maximizing recycled content, the task group has looked at other options beyond the initial purchase. Those measures, which we will incorporate into our day-to-day practices, are also described within this report.

The task group looked through the most commonly ordered office supplies through Office Depot and Nationwide. The group consolidated the information and investigated the green counterpart. The analysis is provided as attachment 1. As you can see from Attachment A, the average increase of all items is 62%. The task group is not recommending purchasing the green counterparts of all items on the list, but wanted to give a comparison.

The policy states a ten percent price preference for green items and the Budget Department has estimated that the amount can be absorbed in most department budgets.

Through the research, the Task Group identified that purchasing a 35% recycled content paper for the printers and copies would only be less than a 1% increase per case. Patrician Abdullah, in the Planning Department, is working to consolidate the paper orders in the Marsac Building as a result of her findings.

Maximizing recycled content in Paper results in the following estimates:

- Each ton of 100% post consumer recycled fiber that displaces a ton of virgin fiber saves between 12 and 24 trees (depending on grade and pulping process)

- It takes between 2.2 and 4.4 tons of raw wood fiber to produce one ton of virgin pulp and it takes1.4 tons of recovered paper for a ton of recycled pulp –a wood fiber savings of up to 310%

The Task Group will distribute Attachment A to all departments and will specifically go over the new policy and new item numbers with the individual who orders supplies. By listing the new item number, we hope that the sheet will help start the new ordering habits.

Minimizing Paper Consumption

Ordering recycled content paper is one step to sustainable purchasing, but in order to look at the entire lifecycle of paper here at Park City Municipal, we need to address use and then recycling.

The Sustainability Department has set up tours of the Sundance Institute office space for all interested employees. The first tour will be held on Wednesday, November 15th. While there, we will learn about their sustainable practices from a paper-less work environment, replacing disposable products with reusable and the use of reusable water bottles for office staff.

The Task Group also supports working with the IT Department to reduce the default margins on Microsoft Word documents. If we were to reduce the default margins of 1.25” to .75” we would reduce a 100 page document to 81 pages. While the narrower margins may not work for Council packets and bound documents, we would encourage it for all other documents.

Increase Recycling

In November the City is engaging a group of employees to work on increasing our recycling rates in City Facilities. This is one more step to complete the cycle of paper products in our workplace.

Update on Other Environmental Initiatives

Attached is the current Strategic Plan with an update next to the top priority items identified in June. Ending the list are additional items Council has identified. The entire strategic plan will be reviewed and updated by the Council at the Visioning Session in January.

Recommendation:
Informational. Review the status of the initiatives identified on the Environmental Strategic plan.

Attachments:
Exhibit A – Green Purchase Policy
    Attachment 1 – Product List and Analysis
Exhibit B – Environmental Strategic Plan

<u>Park City Green Purchasing Policy</u>
Paper and Office Supplies

Consistent with the City Council's Environmental Action Plan to encourage the efficient use of all resources, it is the policy of Park City to purchase products which are recyclable or reusable or contain recycled materials if the quality and fitness of such products are equal to unrecycled products, including a price preference not to exceed ten percent over the lowest price for quoted by suppliers of comparable unrecycled products. To continue its leadership role in diverting and reducing waste, as well as closing the recycling loop by purchasing recycled products whenever technically and economically feasible, the City Council hereby establishes a new policy to provide additional guidance to City departments with regard to implementation of existing policy

1. Each Department shall make every reasonable effort to purchase and use recycled products or those with recycled content whenever feasible to the extent such use does not adversely effect health, safety, or operational efficiency and effectiveness as determined by each department, including but not limited to the items indicated on Attachment 1, attached hereto and incorporated by reference. The term "recycled products" shall be construed to mean products which contain recycled materials or are reusable or recyclable, provided however, that recycled paper products must contain recycled materials.
2. Each department shall review purchasing specifications and contract requirements and--where feasible--revise such specifications and contact requirements to encourage the use of recycled products. Each department shall consider--where feasible--the ability of products and\or their packaging to be reused, reconditioned, or recycled. Each department shall purchase--where feasible--products which minimize waste and toxic by-products in their manufacture, use, recycling, and disposal. Each department shall also purchase/lease--where feasible--capital equipment which is compatible with the use of products containing recycled materials.
3. The ten percent price preference allowed pursuant to existing policy may be granted only if the fitness and quality of recycled products are at least equal to unrecycled products as determined solely by the buying department. Product price comparison shall include life cycle cost considerations, when applicable.
4. When recycled products are used, vendors shall make reasonable efforts to label such products to indicate they contain recycled materials. All departments shall use for their masthead stationery, envelopes, and business cards, recycled paper that includes post-consumer recycled content and some indication they contain recycled material. Other recycled products used by the City shall also indicate they contain recycled material.
5. The City will cooperate to the greatest extent practicable with other local governments, and large companies, in an effort to develop a comprehensive, consistent and effective procurement effort intended to stimulate the market for recycled products.

6. When the City acquires appropriate computer equipment and software, the Sustainability Department shall prepare and submit to the City Council an annual report summarizing the results of implementing this policy. This annual report shall include but not be limited to the City purchase by type during the preceding fiscal year, the quantity and cost of products, and recommendations for the exclusion or addition of specific products pursuant to this policy.
7. All departments shall work cooperatively to further the purpose of this policy.

Effective November 12, 2007
CITY MANAGER

____
Tom Bakaly

Nationwide Analysis

Current Item	Item Price		Green Counterpart	Green Item Price		Per Item Cost Increase	Percentage Difference
Copy paper - 0 % recycled content	$29.89	CS	Copy paper - 30 % recycled content	$29.98	CS	$0.09	0.30%
Legal Pads - 0% recycled content	$8.98	DZ	Legal Pads - 100 % recycled content	$16.98	DZ	$8.00	89.09%
3x3 Post-It Notes - 0% recycled content	$6.98	DZ	3x3 Post-It Notes - 30% recycled content	$6.98	DZ	$0.00	0.00%
1.5x2 Post-It Notes - 0% recycled content	$3.20	DZ	1.5x2 Post-It Notes - 30% recycled content			($3.20)	-100.00%
Manila File Folders - Ltr - 10 % recycled	$7.58	BX	Manila File Folders - Ltr - 100 % recycled	$13.98	BX	$6.40	84.43%
Manila File Folders -Legal - 0 % recycled	$11.98	BX	Manila File Folders -Legal - 100 % recycled	$17.98	BX	$6.00	50.08%
Pendeflex Hanging Ltr (Gr) - 30% recycled	$13.96	BX	Pendeflex Hanging Ltr (Gr) - 100% recycled	$17.89	BX	$3.93	28.15%
Pendeflex Hanging Lgl (Gr) - 0% recycled	$15.98	BX	Pendeflex Hanging Lgl (Gr) - 100% recycled	$19.99	BX	$4.01	25.09%
1" binder - 0 % recycled content	$3.60	EA	1" binder - 70 % recycled content	$2.79	EA	($0.81)	-22.50%
2" binder - 0 % recycled content	$4.60	EA	2" binder - 70 % recycled content	$4.70	EA	$0.10	2.17%
3" binder - 0 % recycled content	$5.19	EA	3" binder - 70 % recycled content	$5.98	EA	$0.79	15.22%
Bubble Wrap - 13 % recycled content	$22.69	BX	Bubble Wrap - 13 % recycled content	$22.69	BX	$0.00	0.00%
Scissors - 0% recycled content	$5.76	EA	Scissors - 70% recycled content	$5.38	EA	($0.38)	-6.60%
Clipboards - 0% recycled content	$3.26	EA	Clipboards - 100% recycled content	$3.98	EA	$0.72	22.09%
Pens - Zebra Jimnie Blue - 75% recycled	$13.85	DZ	Pens - Zebra Jimnie Blue - 75% recycled	$13.85	DZ	$0.00	0.00%
Facial Tissue - Kleenex 2 ply	$6.89	PK	Facial Tissue - Marcal 100% recycled	$4.98	PK	($1.91)	-27.72%
							62.46%

Office Depot Analysis

Current Item	Verified Price	Item Measure	Green Counterpart	Verified Price	Item Measure	Verified Per Item Cost Inc.	Percentage Difference
Copy paper - 0 % recycled content	$28.35	case	Copy paper - 35 % recycled content	$32.76	Case	$4.41	15.56%
3x3 Post-It Notes - 0% recycled content	$6.39	12pk	3x3 Post-It Notes - 30% recycled content	$9.98	12pk	$3.59	56.18%
1.5x2 Post-It Notes - 0% recycled content	$2.75	12pk	1.5x2 Post-It Notes - 30% recycled content	$4.08	12pk	$1.33	48.36%
Manila File Folders - Ltr - 0 % recycled content	$5.80	box of 100	Manila File Folders - Ltr - 10% recycled content	$9.09	box of 100	$3.29	56.72%
Manila File Folders -Legal - 0 % recycled content	$8.99	box of 100	Manila File Folders - Legal - 10% recycled content	$11.77	box of 100	$2.78	30.92%
Pendaflex Hanging Green Folders - Ltr - 0% recycled	NA	box of 25	Pendaflex Hanging Green Folders - Ltr - 10% recycled	$13.66	box of 25	$0.00	0.00%
Pendaflex Hanging Green Folders - Legal - 0% recycled	$13.27	box of 25	Pendaflex Hanging Green Folders - Legal - 100% recycled	$11.57	box of 25	($1.70)	-12.81%
Manila Envelopes	NA		Office Depot® Brand Clasp #90 Envelop	$9.25	box of 100	$0.00	0.00%
Bankers Boxes - 0% recycled content	$2.20	each	Bankers Boxes - 100% recycled content	$2.52	box	$0.32	14.55%
1" binder - 0 % recycled content	$2.87	each	1" binder - 70 % recycled content	$3.04	each	$0.17	5.92%
2" binder - 0 % recycled content	$4.42	each	2" binder - 70 % recycled content	$4.35	each	($0.07)	-1.58%
3" binder - 0 % recycled content	$6.21	each	3" binder - 70 % recycled content	$4.78	each	($1.43)	-23.03%
Sheet Protectors - 0% recycled content	$5.98	box of 100	Sheet Protectors - 100% recycled content	$6.37	box of 100	$0.39	6.52%
Highlighters - certified non-toxic	$4.36	box of 12	Highlighters - certifed non-toxic	$4.49	box of 12	$0.13	2.98%
Pens - Uniball	$6.18	box of 12	Pens - Zebra Jimnie Blue - 75% recycled content	$8.78	box of 12	$2.60	42.07%
							62.66%

ENVIRONMENT

ENVIRONMENTAL VISION

PCMC views the environment as air, surface/ground/culinary water, land, soil, native vegetation, etc. Park City will provide long-term environmental health for the region through efficient use of resources, protection of the quality and diversity of the local environment upon which the community depends. As a guiding principle, the City will consistently strive to sustain its vibrant multi-seasonal destination resort community in a manner that protects and enhances its natural environment.

ENVIRONMENTAL GOALS

1. Preserve and enhance the ecological diversity of the City and the Region.
2. Encourage the efficient use of all resources in order to ensure a future with a secure and sustainable energy supply, safe/reliable water, and clean air.
3. Encourage environmental stewardship and protection of Park City's natural environment through sharing of information and collaboration with the community, community groups, as well as local, state and federal agencies.
4. Incorporate environmental considerations as an integral part in assessing growth management options, land use plans, transportation strategies and development proposals, and overall sustainable community design.
5. Continue to review and investigate best practices that have the potential of substantially improving the environment.
6. Continue to monitor the environment with representative air, water, and soil sampling protocol.

ENVIRONMENTAL POLICIES

- Comply with the U.S. Mayors Climate Protection Agreement signed on May 19, 2005
- Mitigate historic mining impacts
- Promote implementation of conservation programs that assist in maintaining wildlife habitat and wildlife corridors.
- Pursue open space protection opportunities
- Improving surface water quality to the East Canyon Creek watershed and Silver Creek watershed
- Encourage best available green building practices for city and private development
- Look to increase the amount of clean and renewable energy purchased and utilized
- Encourage year-round community water conservation programs
- Pursue model environmental sustainability projects that are working symbols of the city’s commitment
- Increase recycling levels in City operations and in the community
- Continue the City’s strong leadership example through participation on boards, groups and working together with other organizations
- Direct and comment on environmental regulatory policy that has the potential of impacting Park City, citizens and other stakeholders.
- Reduce sprawl, preserve open space, and create compact, walkable urban communities
- Promote Alternative Transportation
- Promote “reasonable accommodation”/”complete streets” practices in City’s annexation, MPD and CUP processes.

ACTION PLAN

Complete	Action #		Status
GOAL 1. Preserve and enhance the ecological systems and diversity of the City and, in turn, the Region			
X	1.1	Join ICLEI - Local Governments for Sustainability.	

		Through the membership ICLEI will provide the City tools to inventory global warming emissions of municipal operations and community emissions.	
Top Priority	1.2	Inventory CO2 emissions from City operations	Anticipate completion and update to Council via Manager's Report by 12/20
Top Priority	1.3	Discuss and consider conducting an ecological footprint for municipal operations	Discussion will take place . . . .
Top Priority	1.4	Adopt a Resolution outlining the process to measure progress in meeting the target of reducing the municipal operation's climate pollution by seven percent or greater by 2012 compared to 1990 levels.	This would take place after 1.2 is complete and after selection of energy audit items to implement.
Top Priority	1.5	Implementation and technical support for this Municipal Action Plan including convening an interdepartmental Climate Team that will coordinate, track and report on implementation progress and develop climate protection performance measures to be integrated into departments' existing performance measures	Performance Measures have been added into the system. The final team will be determined once the energy audits are complete along with the other sub-groups for recycling and carpooling/alt transit are complete with findings.
	1.6	Update the City Council biannually on the Municipal Action Plan as part of the City's budget process.	
	1.7	Inventory Park City community's CO2 emissions	Begins in December with request for assistance from WBEA
X	1.8	Launch an employee education program including anti-idling messages	
	1.9	Launch a program promoting employee use of alternative sustainable transportation	Internal group discussion will begin in January
	1.10	Fund and administer the Environmental Management System	
	1.11	Improve City input to watersheds	
	1.12	Increase property owner use of the top soil assistance program	
	1.13	Fund the Environmental Management System (EMS) as approved by UDEQ and USEPA and as obligated for delisting Prospector Development.	
	1.14	Fund City's Storm Water Management Plan as approved by UDEQ and USEPA and required under the Phase II Rule of the Clean Water Act.	
	1.15	Meet regulatory the requirements for the Comprehensive Environmental Response, Clean Air Act, Clean Water Act, Comprehensive Environmental Response, Compensation, and Liability Act, Resource Conservation and Recovery Act, and the Conservation Reserve Program.	
	1.16	Comply with State and Federal Environmental Laws that are applicable to City Departments.	
	1.17	Enforce institutional controls that are designed to	

		protect human health and the environment from historic impacts (i.e. soils ordinance, EMS Program).	
Top Priority	1.18	Construction of the Biocell for the Prospector Drain	
GOAL 2. Encourage the efficient use of all resources in order to ensure a future with a secure and sustainable energy supply			
Top Priority	2.1	Develop General Municipal Building Efficiency Measures.	
X	2.1a	Adopt a Green Building Policy for Capital Projects	
Top Priority	2.1b	Perform building efficiency audits to identify upgrades for all types of building systems	Council will review the scope of work on 11/15 with potential adoption on 11/29. Audits will be complete the first week in March along with the recommended improvements and then implement the changes (lighting, etc.).
Top Priority	2.1c	Prioritize and implement needed efficiency upgrades	The list will be complete by March and prioritization will begin during the budget process.
Top Priority	2.2	Develop and Implement Citywide green purchasing policy	Council review of policy on 11/15
	2.3	Improve the efficiency of all city vehicles	
Top Priority	2.4	Continue with quarterly energy use challenges among all city facilities	Energy reduction tips sent in December with the challenge beginning in January
	2.5	Increase recycling rates in City operations	Internal group begins discussions in November
X	2.5a	Contract for recycling services for Main Street and City Parks	Complete
	2.6	Review, identify and prioritize available Control Technology that minimizes air and water pollution for City use.	
	2.7	Increase the community's recycling percentages	
	2.7a	Investigate single stream collection of recyclables	Included within the Solid Waste Management Study
	2.7b	Establish a municipal green waste and construction waste recycling program	Waiting for completion of the Solid Waste Management Studay
GOAL 3. Encouraging environmental stewardship and protection of Park City's natural environment through sharing of environmental information with the community and active, meaningful community participation			
	3.1	Support local organizations that educate the public, schools, other jurisdictions, professional associations, business and industry about reducing global warming pollution.	
	3.2	Support discussions for transit options between Park	

		City and surrounding areas.	
	3.3	Support Wasatch Environmental Alliance Community Action Plan by participating in action awareness campaign	Reorganizing meetings to begin again in December
	3.4	Strengthen the State Residential Energy Code through strongly advocating for state and national policies that: o increase investment in public transit and other infrastructure that makes alternatives to motor vehicles more convenient and affordable; o increase the fuel efficiency of motor vehicles as well as development and use of alternative fuels; o encourage energy utilities to fully support and implement cost effective conservation and meet new demand with renewable energy sources; o and other measures to reduce our state and national impact on the global climate.	Dana Williams participated in the Governor's Committee for Climate Change and recommendations are complete
	3.5	Launch a quarterly award recognizing a community member or business for their positive environmental impact.	Investigating potential program and anticipate launch on Earth Day 2008
	3.6	Investigate launching either solely or in cooperation with other entities a Community Climate Partnership. The Partnership would work together to help set and meet community-wide reduction goals.	Approaching WBEA with goal in December
X	3.7	Promote use of bio-diesel fuel to other businesses with fleet vehicles	
	3.8	Support the Summit County Health Department in their investigation and programs regarding air quality.	
	3.9	Increase water conservation education.	
	3.10	Continue to educate ourselves on concepts and best management practices in environmental initiatives through conferences & seminars	
	3.11	Co-sponsor & promote educational programs	
	3.12	Direct and comment on environmental regulatory policy that has the potential of impacting Park City, citizens and other stakeholders.	
GOAL 4. Incorporate environmental considerations as an integral part in assessing growth management options, land use plans, transportation plans and development proposals.			
X	4.1	Promote sustainable building practices using the U.S. Green Building Council's LEED program or a similar system;	
	4.2	Adopt "reasonable accommodation"-"complete street" standards as part of annexation and LMC requirements.	
	4.3	Education series for City employees to help identify green building elements in projects when reviewing plans with applicants	Vera Novak met with members of the Planning and Building Departments in August

	4.4	Set minimum standards that require energy efficiency and green building design for construction projects in the General Plan, annexation policies and Land Management Code amendments to the MPD and CUP sections.	
Top Priority	4.5	Adopt and enforce land-use policies that reduce sprawl, preserve open space, and create compact, walkable urban communities;	
	4.6	Review and adopt any needed changes to the Night Sky Ordinance	
	4.7	Adopt Code changes that work to keep our Air Quality at current levels	
	4.8	Make water conservation a priority through funding and supporting water conserving landscape enforcement through code enforcement.	
	4.9	Promote transportation options such as bicycle trails, commute trip reduction programs, flex hour schedules, incentives for car pooling and public transit;	
Top Priority	4.10	Implement recommendations from the Walkability Study which Significantly Expand Bicycling and Pedestrian Infrastructure	Bond Outcome
Top Priority	4.11	Develop an Employee Carpooling Campaign	Campaign design and implementation will coincide with opening of park and ride lot
Top Priority	4.12	Target a location for a Park and Ride lot and investigate alternative transportation options from the lot	Anticipate construction compete by November 2008
	4.13	Enhance current trail system and identify new trail opportunities	
GOAL 5. Continue to review and investigate best practices that have the potential of substantially improving the environment			
	5.1	Return on a yearly basis to recommend and implement modifications to improve program effectiveness.	
Waiting List. Items identified by Council outside of the review of the strategic Plan.			
		100 solar roof program	
		City purchases of bottled water	
		Electric motorcycles	
		Free/preferred parking for hybrids/electric cars	
		Hybrid police vehicles	

City Council
Staff Report

Author: Alison Butz
Subject: Johnson Controls – Performance Contract
Date: November 15, 2007
Type of Item: Work Session - Request for Award of Contract

Summary Recommendation:
Review the overall outline for the energy audit; prioritize audit criteria and direct staff to return with a contract with Johnson Controls on November 29, 2007.

Topic/Description:
Recycling Contract

Background:
According to the US Green Building Council, buildings account for 38% of CO2 emissions in the United States — more than either the transportation or industrial sectors. In 2005 the City signed the US Mayors Climate Action Agreement which requires the City to meet or beat the Kyoto Protocol target of reducing global warming pollution levels to 7% below 1990 levels by 2012. The Sustainability Team began inventorying municipal operations this month and will update the Council as to our findings when the analysis is complete in January.

In June of 2007, the City Council adopted the action plan for the Environmental Initiatives. One top priority item was to perform energy audits on all City facilities. Subsequent items for that action requests Council prioritize and implement needed efficiency upgrades.

The City Council approved $45,000 for an energy audit of City facilities during the FY2008 budget process. The RFP included an analysis of the potential for renewable energy projects. The City received a $70,000 grant from Rocky Mountain Power and will use a portion of this to for the study. In order to satisfy the grant, the study needs to include a description of potential projects, merits to support such projects, potential benefit to the community, and any unique attributes.

The prime contractor shall have the ability to provide a written guarantee for the design, budget, timeline and conditions of the agreed-to project that ensures the installed systems provides the agreed-to desired outcomes of the project. The guarantee shall be monitored and reconciled on an annual basis, commencing one year from the date of completion of installation. In the event that the performance of the installation is less than the guarantee, the prime contractor shall provide reconciliation agreed to as part of the project.

Analysis:

The City issued an RFP for Performance Contracting Services. Energy savings performance contracting enables building owners to use future energy savings to pay for up-front costs of energy-saving projects, eliminating the need to dip into capital budgets.

The City received 3 proposals and while all three proposals were strong and incorporated different approaches, Staff chose Johnson Controls based on the following assessment made by the selection committee:

- Overall cost
- Past customer service history
- Out of the Box Suggestions

The RFP included a total of 24 City Facilities ranging from the Library and Education Center to the restrooms in City Park. Johnson Controls, through their preliminary overview of the facilities, estimate that the project could implement energy facility improvements that reduce the amount of energy and emissions used by the City by 15 – 20%.

Johnson Control's response to the RFP also preliminarily:

- Identified preliminary $4,000,000 in potential infrastructure improvements
- Estimated $101,000 annual energy savings
- Estimated $26,000 annual maintenance material savings
- Estimated $38,000 for one time rebates

<u>Cost of the Audit</u>
Johnson Control's RFP response set a fixed cost not to exceed $41,825.78 for the audit. The City Council approved $45,000 in the FY2008 CIP budget for energy audits and $3,000 of the$70,000 Rocky Mountain Power grant can fund the renewable feasibility portion. If Council selects to move forward with Johnson Controls for the implementation of the project, there would be no cost for the audit since they would benefit from the implementation of the $4 million in projects.

Staff recommends including a review and analysis to standardize hardware, fixtures and building systems throughout all municipal facilities. This is an additional $4,000, but would result in cost savings over the long term from the ability to buy lights and other fixtures in bulk.

If the Council approves the contract on November 29th, Johnson Controls will begin a technical audit in December and it will be broken into two phases, a preliminary development and detailed development. During this process, Johnson will coordinate with the City on site visits to the City Building and interviews with key staff. They will review the actual utility bills, occupancy and use information, tenant leases and other information. They will also take an in-depth look at the City's water distribution system. At the preliminary analysis stage all potential facility improvement measures are presented to the City with a brief description and estimate of cost savings. At the completion of this stage Council will review the items as part of the budget and select the scope based on project goals and financial requirements. With that information

Johnson Controls will finalize a report and potential proposal for implementation which is anticipated the first half of March.

The City will then have the remainder of March and half of April to review the report and associated proposal and determine its recommended course of action for implementation. This may include but is not limited to:

- Prioritize the final project/s to move forward with implementation
- Make final decisions on the process of implementation as part of the City's budget process, which may include but is not limited to:
  - Utilizing the performance contracting program to implement a portion or all of the recommended project/s that best meets the City's decision making criteria.
  - Incorporating a portion or all of the projects into the City's long term capital improvement program (CIP).
  - A combination of both of the above approaches.

Evaluation Criteria
Staff recommends the criteria listed below be equally ranked.

- Return on Investment (cost / benefit) - 15 years
- Energy and carbon impact
- Is coordinated with existing capital needs
  - Maintenance implications
  - Reduction of operating costs
  - Timing
- Leadership (demonstration)
  - Visibility
  - Ingenuity

Questions for Council

1. Are there any additional criteria that should be added for evaluation?
2. Is the equal ranking of all criteria appropriate?

Department Review: The team that reviewed the RFP submittals and who has worked with Johnson Controls since their selection includes Kathy Lundborg (Water Department), Jon Pistey (Ice Rink), Mike Lennon (Building Maintenance) and Bret Howser (Budget). Johnson Controls has also met with Ron Ivie to overview some of his review criteria.

Alternatives:

- **A. Approve the Request:** Staff is requesting Council review the outline of the audit and direct staff to return with a contract with Johnson Controls on November 29, 2007.
- **B. Deny the Request:** The City will not perform energy audits on the facilities.
- **C. Continue the Item:** Ask for information from staff before making a decision on the request.
- **D. Do Nothing:** This will have the same impact as denying the request

Recommendation:

Review the overall outline for the energy audit; prioritize report criteria and direct staff to return with a contract with Johnson Controls on November 29, 2007.

PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
OCTOBER 25, 2007

Present: **Mayor Pro Tem Marianne Cone; Council members Candace Erickson; Roger Harlan; and Jim Hier, and Joe Kernan**

Tom Bakaly, City Manager; Mark Harrington, City Attorney

Recreation Staff: Ken Fisher, Tate Shaw, Laurie Lambert, Carrie Gross, Michelle Stucker, Jessica Moran, and Karen Yocum

Absent: **Mayor Dana Williams**

1. Council questions/comments. Roger Harlan commented the on the honor of hosting a professional hockey game at our ice facility last Friday and the success and value of the Leadership Program. Joe Kernan spoke about measuring SR248 and determining that it is wide enough to explore the feasibility of adding bike lanes. He relayed complaints about public access to restrooms in the Recreation Building and snow removal service levels. Comments related to plowing to the edge of cul-de-sacs and Mr. Kernan stated that he feels confident that the City can afford to increase snow removal services. He expected property tax windfalls from the future development of Deer Valley parking lots and highlighted the historic surpluses in the budget. Snow removal service should be high quality like other programs provided by the City.

Jim Hier discussed attending the Leadership dinner and shared information from the Tourism Symposium. He attended a CTAC meeting and reported that the HMBA discussed waiving parking fees between Thanksgiving and Christmas, although there is no organized promotion planned. The interagency group focused on trail systems. Candace Erickson discussed the Historical Society dungeon party and the great support of the Friends of the Farm's scarecrow event. She reported on Recycle Utah business and the need for more space. With regard to determining the level of snow removal service introduced by Joe Kernan, Council member Erickson suggested exploring this topic at the Visioning Session in January when the new Council is seated. Marianne Cone also commented on attending the dungeon party and hockey game. She thanked Matt Twombly for the installation of the sidewalk on SR224 in front of the Yarrow and commented on the conference hosted by Recycle Utah. The Mayor Pro Tem described an energy audit conducted at her home by Questar Gas; there was a $25 charge, but well worth it. Ski Utah met yesterday and Ms. Cone spoke about a number of programs underway. Roger Harlan admitted his initial skepticism when the Park Silly Sunday Market applied for a master festival license but admitted he was mistaken and applauded the energy of the group in producing a very successful event.

2. Summer Recreation Program Update. Recreation Manager Ken Fisher introduced his core staff members. Tate Shaw updated members on the skateboard camp where participation increased by 15% this year, with a wait list. Participation in the summer skate competitions was excellent. Marianne Cone brought up a neighborhood complaint regarding the nuisance of the amplification during the competitions. Participation in the dirt jump clinics was able to increase 30% this past second season, by adding another week. Jessica Moran highlighted other youth programs including the spring soccer league where there was an increase of 50 players. The Willow Creek fields are used, demonstrating cooperation between the City and Basin Recreation. The summer day camp ran especially well in the newly remodeled Recreation Building where 70 kids regularly showed up. Ms. Moran spoke about the Department's fee reduction program, offering opportunities for kids who would otherwise not be able to participate without this discount. The new fields and lights at Quinns accommodated growth in the adult soccer program and she highlighted the popularity of the dog obedience classes. Mt. Shaw explained that softball is the largest adult program and a spring and summer will be tested next year. He detailed the Start Smart Programs and emphasized that Park City is rated as a five star provider. Ms. Moran discussed the unique parent/kid skating program. Karen Yocum explained the popularity of volleyball tournaments where there are so many sponsors; their logos are featured on two shirts, one for each competition. Additionally, the prestigious Woman's Softball State Championships has been held in Park City over the past five years.

Ken Fisher pointed out that the fee differential was eliminated in 2003 which has improved membership on a number of levels. This year, the total number of all types of passes was 5,000 compared to 4,500 last year. In the summer, an average of 1,000 patrons pass through the doors and interact with the front desk personnel. He noted that quality customer service is maintained with the high volume and he receives few complaints. Winter numbers drop off to about 600 a day because the pools are closed and there are fewer programs. Karen Yocum described the growth in group fitness and aquatics. The Swim Team for first-time competitors was well received and another session may have to be added. She addressed her responsibility for reserving and scheduling fields regionally and the School District agreeing to share Dozier Field on a limited basis. Hopefully there will be two lighted fields available at Quinns next year which will help scheduling significantly.

Jim Hier asked about the cost of programming the lap pool and Ken Fisher recalled the cost was about $15,000 to keep the pool heated in the winter but the biggest issue is finding life guards willing to sit outside in the cold. In response to a question from Roger Harlan, the lighting at Quinns fields was not an issue. The City Manager interjected that the City is working on an entrance sign for the rink, IHC and NAC.

Laurie Lambert emphasized that tennis is a year-round sport in Park City and explained an effort to build camaraderie among players by organizing six socials a year and emailing a newsletter. She discussed the significant growth in tournament play and described upcoming events. The new tennis bubble was a needed replacement and features have been greatly improved. Michelle Stucker pointed out that Park City's recreation is rated above the national average. She is working with Shindig on marketing efforts and emphasized that on-line registrations have taken a lot of the pressure off the front desk.

Carrie Gross reviewed cemetery operations and eligibility criteria to purchase a plot. The fees for cemetery services were raised last year to recover real costs and staff has determined that there are approximately 430 lots available. She spoke about mapping the cemetery and creating a directory which is located in the gazebo. Ms. Gross explained that she schedules and rents Rotary and City Parks where maximum occupancies have been established and enforced, eliminating nuisances.

Michelle Stucker discussed community outreach programs with Basin Recreation offering discounts to families and described the coalition with Agencies Coming Together offering youth programs through non-profit organizations. This approach actually takes programs to the kids rather than providing them in a facility and the School District is involved. Mr. Fisher stated that this year was the second highest cost recovery year at 73% and he pointed out fees have not been raised in years but are being examined by consultant VCBO. The Racquet Club is operating at maxed capacity and he explained that direct costs are recovered in programs. Jim Hier acknowledged that between 1998 and 2007, costs have increased 20% while revenues have increased 60%; he commended Mr. Fisher.

Joe Kernan felt it reasonable to raise fees to recover costs. There are many great programs being offered by the Recreation Department adding to the health, social fabric and cross-cultural bridging in the community. Discussion ensued about the library being rated highest and recreation second in the Insight Assessment Survey completed in 2006. The needs assessment conducted last spring rated the Recreation Department significantly higher than the national average in terms of satisfaction. Mr. Kernan was pleased to learn that there were more cemetery plots than originally contemplated. Candace Erickson commended staff on the quality of the programs offered through the Department which has evolved with the community. Roger Harlan acknowledged that outstanding facilities exist in many other communities but he felt Park City is unique because of its excellent leadership and the number of recreation choices offered by the City is staggering. Jim Hier agreed with other members' accolades.

3. Review of regular meeting. There were no questions or comments.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
OCTOBER 25, 2007

I ROLL CALL

Mayor Pro Tem Marianne Cone called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, October 25, 2007. Members in attendance were Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier, and Joe Kernan. Mayor Dana Williams was absent and excused. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Kirsten Whetstone, Planner, and Brooks Robinson, Planner.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

None.

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

The Mayor Pro Tem invited the public to comment on any matter of City business.

1. $15 Million Walkability Bond - Harvey LaPointe, 537 Deer Valley Drive, asked what data was used to support placing the initiative on the ballot and relayed that he was involved in an industry relating to safety and accident investigation. He supports projects like the sidewalk in front of the Yarrow which was needed but is still not convinced that the bond is needed even after conversations with Council members, police staff, and stakeholders who couldn't offer information about the necessity of issuing bonds.

Jim Hier explained that a study was conducted assessing connectivity and around $50 million worth of improvements was identified. Council members determined that $15 million is an appropriate issuance amount. He explained that there is no documentation about need or safety; it is a quality of life issue. Joe Kernan encouraged Mr. LaPointe to review the study which is on-line and pointed out the lack of connectivity in the trail system. He added that a survey revealed that 62% is comfortable with $20 million, 20% for $10 million and 20% didn't support the bond; Council members attempted to balance interests. He detailed past studies assessing priorities and satisfaction with service levels by the citizenry where paths and sidewalks were rated second to water.

Mr. LaPointe explained that he can support connecting trails but has problems leading the public to believe that the bond will accomplish expensive projects like tunnels and bridges.

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

IV NEW BUSINESS *(new items with presentations and/or anticipated detailed discussions)*

1. Consideration of an Ordinance approving the 1376 Mellow Mountain Road plat amendment - Marianne Cone opened the public hearing and with no comments, closed the hearing. She requested a motion to continue to November 29, 2007. Roger Harlan, "I so move". Joe Kernan seconded. Motion unanimously carried.

2. Consideration of an Ordinance approving the First Amended Lot 6 Evergreen Subdivision located at 14 Perserverance Court – See staff report. Kirsten Whetstone explained that the application requests amending the plat to relocate the ski easement on Lot 6 which is contemplated to be moved uphill. There was no public input rendered at the Planning Commission and a positive recommendation was forwarded based on the Ordinance. For the benefit of members, she displayed a rendering of the site. The Mayor Pro Tem opened the public hearing and with no comments from the audience, closed the hearing. Jim Hier, "I move we approve the amended Evergreen Subdivision plat to revise the ski easement on Lot 6 as outlined in the staff report". Roger Harlan seconded. Motion unanimously carried.

3. Consideration of an Ordinance approving the Flagstaff Condominium Record of Survey Plat located at 8894 Empire Club Dr. – Planner Brooks Robinson stated that this was initially named Snowberry Lodge in the CUP and is located on Lot 13 in the Village Empire Pass Westside Subdivision. The Snowberry CUP was approved in 2006 and this condominium record of survey encompasses 73,50 square feet or 36.8 unit equivalents with an employee housing unit and two ADA units within the building. The ADA units are platted as common property and are not counted toward the unit count since they are appurtenant to all units in the building. ADA units must be available in the rental pool at all times and Mr. Hier requested for a copy of the criteria for managing ADA units. Mr. Robinson discussed the height exception granted and code required parking. Candace Erickson disclosed a concern expressed to her that the affordable housing in Flagstaff be monitored to ensure appropriate occupancy. Brooks Robinson explained that the HOA monitors the housing which is not income based and if the units are not filled, Mountainlands Community Housing Trust or another organization would be contacted to fill the affordable housing units. The public hearing was opened and with no input, closed by the Mayor Pro Tem. Candace Erickson, "I move we approve the Ordinance approving the Flagstaff Condominium record of Survey Plat located 8894 Empire Club Drive". Joe Kernan seconded. Motion unanimously carried.

4. Consideration of Mountain Sky Annexation Petition – land in Summit County north side of Quarry Mountain adjacent to Eagle Pointe IV Subdivision – Brooks Robinson explained that the annexation petition contemplates annexing 20 acres adjacent to the Eagle Pointe IV Subdivision and located within Park City's annexation policy boundaries. He pointed out inconsistencies in the application with regard to density and stated that the Quarry Mountain Water Tank is undersized for the service area which is the primary reason for the recommendation to deny. The City will only accept wet water.

Applicant Kenneth Jaquin stated that it didn't make sense for him to purchase water rights at this point if the City is not inclined to accept the annexation petition. He understood that the tanks are interconnected and with the upgrade of the Boothill Tank, it seems that the addition of one lot is inconsequential. Originally seven units were proposed and now there is one unit proposed on 20 acres; existing lot sizes in the area are two to three acres and didn't feel there is a density issue. Access has been identified as another issue, but Mr. Jaquin pointed out that access to the property is along the right-of-way originally established and provided for through the Eagle Pointe Subdivision. Steve Schueler, Alliance Engineering, stated that this is the historic access to the property since it was subdivided. Whether or not the property is developed in Park City or Summit County, it will be accessed through City streets and municipal infrastructure will be used. The property is located entirely within the annexation declaration policy boundaries. Mr. Schueler added that the concern that the annexation would create a peninsula would be a short-term situation as other properties will come on line. From a land use standpoint, it is the applicant's desire to work with Park City as opposed to Summit County and he urged Council to favorably consider the application.

The Mayor Pro Tem opened the public hearing.

Alex Butwinski, resident, urged Council to consider if not bringing in wet water sets a precedent for the next petitioner as well as potential benefits if the applicant is willing to upgrade the Quarry Mountain water facility. Irrigating 20 acres of landscaping could lead to significant water use. Mark Harrington explained that the City Council has the ability to accept the petition and require wet water or negotiate an alternative pursuant to the Land Management Code, but the issue here is capacity, not whether the exaction is fair.

With no further input, the public hearing was closed. Joe Kernan confirmed that the density is now one unit and expressed that capacity issues could be worked out during the certification process by the state, if the petition is accepted. Steve Schueler indicated their willingness to address any issues and to better understand water, they have retained a water rights attorney. For the benefit of Mr. Kernan, Kenneth Jaquin stated they haven't initiated a process to transfer water rights because of the status of the petition and at this point, the governing jurisdiction is unknown. Mark Harrington emphasized that the water obligation would have to be fulfilled before the property is annexed and accepting the petition only initiates the annexation process.

In response to a comment from Roger Harlan, Steve Schueler explained that the original application proposed a two lot subdivision. After working with staff, a metes and bounds survey was conducted and the application was resubmitted as a single lot subdivision. Jim Hier recalled the General Plan for Quarry Mountain focusing on preserving open space, trails, and not encouraging residential development. Creating a peninsula is prohibited by state law and together with the capacity issue are compelling reasons not to annex. He agrees with the findings outlined in the staff report that the City not accept the petition. Joe Kernan stated that it is difficult for him to visualize the peninsula on the map in the staff report and asked for clarification or a definition. Mark Harrington explained that a peninsula is an extension of land bounded on three sides by an unincorporated area. The guiding principle is that cities should not be protruding into unincorporated areas for the purpose of benefiting one particular small area. It should be a logical extension of boundary that mirrors a sound regional planning decision which is the intent of the annexation boundary. The General Plan specifically addresses this and cautions against a piecemeal approach. Discussion ensued regarding the ownership and use of adjacent parcels. Brooks Robinson spoke about previous annexation petitions including this property and an understanding with the County that the density would be consistently applied as one unit. Roger Harlan, "I move that we deny the Mountain Sky petition for land in Summit County , the north side of Quarry Mountain adjacent to the Eagle Pointe IV Subdivision pursuant to the findings as recommended on Page 48 of the staff report". Candace Erickson seconded. Motion unanimously carried.

5. Authorization for the City Manager to enter into a Professional Services Agreement with SWCA for an Environmental Assessment for the Judge Tunnel Project in a form approved by the City Attorney in the amount of $30,246 – See staff report. Water Manager Kathy Lundborg explained that approval of the contract relates to the connection project with JSSD. An environmental assessment is required in order to qualify for possible grants from the federal government. Jim Hier, "I move that we authorize the City Manager into a professional services agreement with SWCA for an environment assessment in the amount of $30,246". Joe Kernan seconded. Motion unanimously carried.

V OLD BUSINESS *(items previously discussed and continued for consideration)*

1. Consideration of an Ordinance approving the Subdivision No. 1 Millsite Reservation plat amendment located at 255 Ridge Avenue, Park City, Utah (King Ridge Estates) – Brooks Robinson explained that this matter was continued from the October 11, 2007 meeting. The proposal is to combine 12 lots into three lots of record. He outlined his five follow-up points including the uniqueness of the site, uses in other rights-of-way in Old Town, the redesign of the access driveway and wall, and restrictions on the plat pursuant to previous discussions. Through illustration of a map, he described the site by pointing out the dedication, the easement, and setbacks. He displayed the general configuration, driveway access, and a profile of the structures. The garage element is shown as 18 feet high. Staff examined the Park City Survey and Snyders Addition for vacated rights-of-way and found that this site is unique because the City vacated the north and south rights-of-way and all of Anchor had been vacated previously. As a matter of comparison, much of upper Norfolk Avenue has been vacated through the Sweeney Subdivision and there are pieces relating to the Town Lift, Bernolfro property on Lowell, and other portions of Norfolk, Woodside and Empire which have been vacated over the years as well. Uses in both the rights-of-way and areas vacated have structures, driveways, and stairs. He displayed a photo of the ski run walls on Woodside, a parking area, and a parking lot. The significant height of the

retaining wall on upper Norfolk Avenue was pointed out as a part of the Sweeney Subdivision and Mr. Robinson described clearing up property line conflicts at 147 Ridge Avenue.

Brooks Robinson stated that by increasing the grade, the height of the retaining wall proposed for 255 Ridge Avenue has decreased to four feet and from two retaining walls to one wall. He described the profiles of structures and proposed and existing grades. Recommended additional conditions of approval include plat notes restricting Lot 3 to the approximate footprint size of the other two, and based on the analysis on house sizes in the HRL, limiting the maximum floor area to approximately 3,030 square feet. The garage must be located at the front setback can not exceed the minimum depth as allowed by Code and the garage can not exceed 18 feet. A height exception to the garage must meet the following criteria that no portion of the house is eligible for a height exception. A variance for a 14% driveway grade in the City's right-of-way must be granted by the Board of Adjustment before the conditional use permit can be considered by the Planning Commission. In addition, a steep slope permit CUP review and the Historic Preservation Commission design review are required.

Sean Marquardt, agent for applicant, referred to three scenarios for the road including the original with the two-tiered 11 foot high retaining wall, the second is a 14% grade requiring a variance, and the third is a combination of both by not lowering the grade on the driveway portion at 10 feet which would result in an eight feet wall at its highest point. Jim Hier stated that he would like to eliminate the 11 foot option and Brooks Robinson pointed out that Condition No. 16 provides that the applicant seek a variance or special exception for the driveway grade. He stated that the BOA could deny it, but this is a visual solution. Discussion ensued about whether 11 feet is still considered an option, and Sean Marquardt stated that the applicants agree that the retaining wall will not exceed eight feet for the driveway on the northwest corner. The Mayor Pro Tem opened the public hearing.

Carlene Riley, 84 Daly Avenue, expressed that she is still concerned about what is going on. Ridge Avenue is only seven feet wide at some portions and the building inspectors are concerned about the construction impacts in the area. She is concerned about the proximity of the drainage ditch to her house and the soils are instable. Her house is only 800 square feet and the 2,000 square foot homes will be on top of her. She is still opposed and her neighbors are tired of fighting the project. This sets a precedent for everything on the hillside. Jim Hier encouraged her to continue to attend the upcoming CUP meetings before the Planning Commission where a construction mitigation plan will be developed.

Lynea Knudson, 96 Daly Avenue, stated that she submitted written comments to the Planning Commission. She relayed that she has developed property and owns multiple lots at Bear Lake, Utah and a six acre developable parcel in California and is not against development. Her main concern is the preservation of Old Town and she spoke about the profits developers make and then they leave town. Her other concern is not having a design for the homes available to her, and Sean Marquardt stated that they have retained a local architect John DeGray to create a compatible design with neighboring structures, however the look of Daly Doubles (96 Daly Avenue) will not be considered. Ms. Knudson admitted that 96 Daly is a horrific mistake but she could afford to purchase a unit there. Has there been a soils study? She is also concerned about a Council member's statement that it will probably be approved anyway. Ridge Avenue is not wide enough for two cars and this development will impact the street further. She is not comfortable with a path behind her house and suggested that the proposal be smaller. Sean Marquardt clarified that the pedestrian walkway was discussed at some earlier point, but the current proposal is a 30 foot non-disturbance area not a trail.

With no further comments from the audience, Mayor Pro Tem Cone closed the public hearing. Candace Erickson noted that the original plan was for seven lots which is now down to three. These are legally owned lots and concessions have been negotiated. As much as she would like to see the property open forever, property owners have land rights in the state of Utah. Ms. Cone discussed the rooftops falling within the contour of the ridge and engineer Gus Sherry explained that the homes step down to the north and parallel the driveway. Brooks Robinson interjected that the City will measure height from existing grade which would follow the ridge. In response to a question from Jim Hier, Mr. Robinson explained that the garage height could be measured from existing or final grade. Mr. Hier stated that he felt the garage floor should be measured from final grade. Mr. Robinson stated that final grade will be clearly stated in the conditions of approval and referred to another condition regarding incorporating the grade change to existing Ridge Avenue to be approved by the City Engineer, and adding language that in such case the retaining wall will not exceed eight feet at the northwest corner. Mr. Robinson explained that a maximum gradient away from the houses could be established so the garage is not artificially raised above the access drive. Brooks Robinson crafted Condition No. 17 to read that driveways into the garage can not exceed the minimum slope for drainage away from the structures.

Roger Harlan expressed that the conditions of approval have been strengthened throughout the process. Marianne Cone agreed but pointed out that the Planning Commission vote was 4:1 against the project. She felt compelled to support boards and she remains concerned about house size and space between structures. Discussion ensued about the Board of Adjustment process where the only appeal if denied is to court; Planning Commission decisions can be called up by Council. Jim Hier reiterated his encouragement to the public to attend upcoming Planning Commission meetings on the project. He pointed out that this is a plat action which has been unusually conditioned which he feels is appropriate in this circumstance.

Jim Hier, "<u>I move to approve the plat amendment on 255 Ridge as modified by Brooks (Robinson) to (conditions of approval) Items 6 and 13, and the addition of Condition No. 17</u>". Joe Kernan seconded. <u>Motion carried</u>.

Marianne Cone	Nay
Candace Erickson	Aye

Roger Harlan	Aye
Jim Hier	Aye
Joe Kernan	Aye

VI ADDITIONAL DISCUSSION – AGENDA ITEMS

None.

VII ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned. The meeting for which these minutes were prepared was noticed by posting at least 24 hours in advance and by delivery to the news media two days prior to the meeting.

Prepared by Janet M. Scott, City Recorder

PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
NOVEMBER 1, 2007

Present: **Mayor Dana Williams; Council members Candace Erickson; Roger Harlan; Jim Hier and Joe Kernan.**

Tom Bakaly, City Manager; Mark Harrington, City Attorney; Jerry Gibbs, Public Works Director; Eric DeHaan, City Engineer; Alison Butz, Environmental Affairs and Project Manager; Brooks Robinson, Principal Planner; Gary Hill, Budget Manger; Phyllis McDonough Robinson, Community & Public Affairs Manager

Absent: **Council member Marianne Cone**

Prior to Work Session, Council members participated in a ribbon-cutting celebration at the new police facility.

Mayor Williams opened the Work Session in Chinese, "Greetings my friends and comrades. We are here to serve the People."

1. Council questions/comments
Councilors welcomed Mayor Williams back from his China trip.

Candace Erickson reported the Summit County Board of Health's plans to construct a building for the Health Department near the new IHC hospital. They will also lease space, at a nominal fee, to the People's Health Clinic. Next year they will focus on diabetes and asthma education. Finally, the body art ordinance was approved.

Roger Harlan noted the Joint Transportation Task Force with the School District had completed many items on their agenda, and will continue to hold periodic discussions regarding transportation issues. The magnificent new police facility is a credit to the community. Jim Hier added that UDOT has not yet granted approvals for the hawk beacon signal near the High School.

Mayor Williams reported on his 16-day trip to China as part of Park City's U.S. China Friendship Association. The group included students from Park City High School and during the first week they spent time at their sister high school, Beijing High School No. 4 and in the homes of their counterparts. They were honored at formal gatherings and participated in local cultural and fitness opportunities. The foremost calligrapher in Beijing presented a scroll to the Mayor and people of Park City. In Xian they toured the home of the terra cotta soldiers and spent time with the Imam at a 600-year old Moslem Mosque. Their tour took them through beautiful cities nestled among redwood forests and protected open space areas. They observed environmental initiates in many communities ranging from recycling, solar hot water heat and solar traffic lights in rural areas, to solar arrays on skyscrapers in Shanghai. In December, the group will host an event at Santy Auditorium to share their trip with the community.

2. Quarterly goal update

Council members reviewed and discussed updates to the 3rd Quarter Goals and Targets for Action. Under Goal1 Quality Water, they clarified the deadline for the Water Resources Development Act to be signed into law, or vetoed, by the President and were hopeful that the House and Senate would overturn a veto. Jim Hier requested the addition of a new action under Goal 2 Preservation of Park City Character to address Special Needs Emergency and Transitional Housing. He anticipated that would facilitate a needs assessment for needs in the community and the acquisition of such housing dependent upon the results of the assessment. Candace Erickson proposed that Council review Traffic Calming under Goal 3 Effective Transportation and Parking System in January. She also requested an update of winter parking garage usage and its effect on events. There were no comments on Goal 4 World Class Multi-Seasonal/Resort Community and Goal 5 Recreation, Open Space and Trails. Hoping to attract more Wasatch County involvement, under Goal 6 Regional Collaboration and Partnerships, Jim Hier suggested holding an Inter-Agency Task Force meeting, with a review of the Jordanelle Master Plan, at a mutually independent site such as JSSD. For Goal 7 Open and Responsive Government to the Community, Mr. Hier asked whether there was an established program to hold neighborhood gatherings, as a communication vehicle. Phyllis Robinson explained a long-range community-visioning plan would be discussing during Council Visioning in January.

3. KPCW purchase of Swede Alley shell space

Environmental Affairs and Projects Manager Alison Butz reviewed steps leading up to preparation of the draft agreements for KPCW to purchase Unit B of the Shell Building for $924,676. The Marsac Building seismic upgrade and scope of construction has dictated that the entire building must be vacated and upon completion of the construction, the City will need all available square footage in the Marsac Building. As a result, the City is unable to renew the lease with KPCW for the current space. In April 2007, Council directed Staff to negotiate purchase of a unit in the Shell Space by KPCW. In August, Council approved a construction contract for the shell space and identified KPCW as a potential tenant. Staff has prepared an agreement outlining terms of the sale including escrow amounts and timing of the payment for tenant improvements. Ms. Butz requested that Council discuss the report and provide direction to return with the agreements on November 15, 2007. Once the condominium plat is recorded, the City will execute a Real Estate Purchase Contract (REPC) based on the terms of the agreement.

Jim Hier clarified unit sizes, noting that the upper unit, Unit B, is slightly larger due to the overhang.

Blair Fuelner, Park City Community Wireless, stated it was a win/win situation.

Council directed Staff to return in two weeks for action.

PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
NOVEMBER 1, 2007

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order to 6:00 p.m. at the Marsac Municipal Building on Thursday, November 1, 2007. Members in attendance were Dana Williams, Candace Erickson, Roger Harlan, Jim Hier and Joe Kernan. Marianne Cone was excused. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Brooks Robinson, Principal Planner; and Gary Hill, Budget Manager

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

None.

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

None.

IV WORK SESSION NOTES AND MINUTES OF MEETINGS OF SEPTEMBER 20, 2007, OCTOBER 4, 2007 AND OCTOBER 11, 2007

Roger Harlan, "I move approval of the work session notes and minutes of meetings of September 20, 2007; October 4, 2007; and October 11, 2007". Candace Erickson seconded. Motion carried.

Marianne Cone	Absent
Candace Erickson	Aye
Roger Harlan	Aye
Jim Hier	Aye
Joe Kernan	Aye

V NEW BUSINESS *(new items with presentations and/or anticipated detailed discussions)*

1. Consideration of an Ordinance approving the Monitor Drive Boothill Parcel Subdivision, Park City, Utah - Brooks Robinson explained the item was originally noticed for the meeting in anticipation of Planning Commission approval; however, it had just been reviewed and forwarded. Staff requested continuation to November 15, 2007. The Mayor opened the public hearing and with no comments from the audience, closed the hearing.

Roger Harlan, "I move to continue to the meeting of November 15, 2007". Candace Erickson seconded. Motion carried.

Marianne Cone	Absent
Candace Erickson	Aye
Roger Harlan	Aye
Jim Hier	Aye
Joe Kernan	Aye

2. Consideration of an Ordinance approving the Subdivision No. 1 Millsite Reservation Plat Amendment located at 200 Ridge Avenue, Park City, Utah - Principal Planner Brooks Robinson explained this is near the 255 Ridge Avenue project that Council recently reviewed and approved. Planning Commission action is scheduled on November 15, 2007. Mayor Williams opened the public hearing and with no comments from the audience, closed the hearing

Joe Kernan, "I move to continue to the meeting of November 29, 2007". Roger Harlan seconded. Motion carried.

Marianne Cone	Absent
Candace Erickson	Aye
Roger Harlan	Aye
Jim Hier	Aye
Joe Kernan	Aye

3. Consideration of the appointment of Rich Miller as a member and Gordon Strachan as an alternate to the Board of Adjustment for terms expiring July 2011.

Jim Hier, "I move to appoint Rich Miller as a member and Gordon Strachan as an alternate to the Board of Adjustment for terms expiring July 2011 with thanks and gratitude. " Joe Kernan seconded. Motion carried.

Marianne Cone	Absent
Candace Erickson	Aye
Roger Harlan	Aye
Jim Hier	Aye
Joe Kernan	Aye

4. Update of Board business and Consideration of a Resolution Aligning the Public Art Advisory Board's terms with other Citizen Boards - Budget Manager Gary Hill explained the resolution would align terms of Public Art Advisory Board members with many other Boards and Commissions, which should help maintain full membership.

Candace Erickson, "I move to approve the resolution to amend the Public Art Policy to align terms with other Citizen Boards." Jim Hier seconded. Motion Carried.

Marianne Cone	Absent
Candace Erickson	Aye
Roger Harlan	Aye
Jim Hier	Aye
Joe Kernan	Aye

5. Consideration of the proposed issuance of Lease Revenue Bonds, Series 2007 (Park City Historical Society) of the Municipal Building Authority of Park City, Utah, in the principal amount of not to exceed $3,600,000 - Budget Manager Gary Hill requested that Council conduct a public hearing and noted there was no action scheduled. Mayor Williams opened the public hearing and receiving no input, closed the hearing. In response to a question from Joe Kernan, Mr. Hill stated the rate would be about 65% of prime.

VI ADDITIONAL DISCUSSION – AGENDA ITEMS

VII ADJOURNMENT

With no further business, the regular meeting of the City Council adjourned at 6:10 p.m.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at 3:00 p.m. Members in attendance were Mayor Dana Williams, Candace Erickson, Roger Harlan, Joe Kernan and Jim Hier. Marianne Cone was absent and excused. Staff present was Tom Bakaly, City Manager; Mark Harrington, City Attorney; Alison Butz, Environmental Affairs and Project Manager; Jerry Gibbs, Public Works Director; Tom Daley, Assistant City manager; Kathy Lundborg, Water Manager. Roger Harlan, "I move to close the meeting to discuss property and personnel." Candace Erickson seconded. The meeting opened at 4:45 p.m. Jim Hier, "I move to open the meeting." Joe Kernan seconded. Motion carried.

Marianne Cone	Absent
Candace Erickson	Aye
Roger Harlan	Aye
Jim Hier	Aye
Joe Kernan	Aye

PARK CITY MUNICIPAL AUTHORITY MEETING
SUMMIT COUNTY, UTAH
OCTOBER 11, 2007

I ROLL CALL

Chairman Dana Williams called the regular meeting of the MBA to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, October 11, 2007. Members in attendance were Dana Williams, Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier, and Joe Kernan. Staff present was Tom Bakaly, Executive Director; Mark Harrington, City Attorney; and Jonathan Weidenhamer, Project Manager.

II PUBLIC INPUT *(any matter of MBA business not scheduled on agenda)*

None.

III MINUTES OF MEETING OF JULY 12, 2007

The Chair requested a motion to approve. Candace Erickson, "I so move". Roger Harlan seconded. Motion unanimously approved.

IV NEW BUSINESS *(new items with presentations and/or anticipated detailed discussions)*

1. Consideration of approval of a Lease of Lot 1, Museum Subdivision, 514 - 528 Main Street with Park City Municipal Corporation – See staff report. Jon Weidenhamer introduced Richard Pick, President of the Board of Trustees of the Historical Society. He briefly described all three items under New Business. Mr. Pick stated that it has been a positive experience working with the City and the project represents a partnership demonstrated by the actions scheduled this evening. The Board met on October 4, 2007 and supports the leases and the construction/financing memorandum of understanding. Construction is anticipated as soon as the documents are finalized.

Joe Kernan, "I move approval of Item 1". Roger Harlan seconded. Motion unanimously carried.

2. Consideration of approval of a Lease of Lot 1, Museum Subdivision, 514 – 528 Main Street to Park City Municipal Corporation with debt payments – See staff report. Joe Kernan, "I move approval of item 2 under New Business". Candace Erickson seconded. Motion unanimously carried.

3. Consideration of approval of a Resolution authorizing the issuance and sale by the Municipal Building Authority of Park City, Utah of not more than $3,600,000 aggregate principal amount of its lease revenue bonds, Series 2007 (Park City Historical Society); and related matters – See staff report. Joe Kernan, "I move we approve Item 3". Candace Erickson seconded. Motion unanimously carried.

V ADJOURNMENT

With no further business, the regular meeting of the MBA was adjourned. 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, Secretary

PARK CITY WATER SERVICE DISTRICT MEETING
SUMMIT COUNTY, UTAH
MARCH 1, 2007

I ROLL CALL

Chairman Dana Williams called the meeting of the Water Service District to order at approximately 7 p.m. at the Marsac Municipal Building on Thursday, March 1, 2007. Members in attendance were Dana Williams, Marianne Cone, Candace Erickson, Roger Harlan, Jim Hier, and Joe Kernan. Staff present was Tom Bakaly, Executive Director; Mark Harrington, City Attorney; and Tom Daley, Deputy City Attorney.

II PUBLIC INPUT *(any matter of WSD business not scheduled on agenda)*

The Chairman invited the audience to comment on any matter of Water Service District business and hearing none, closed the public input session.

III MINUTES OF MEETING OF JANUARY 11, 2007

Jim Hier, "I move to approve the Minutes". Joe Kernan seconded. Motion unanimously carried.

IV NEW BUSINESS *(items with presentations and/or anticipated detailed discussions)*

District members had no questions or comments on pending business. Chairman Williams requested a motion on the items. Joe Kernan, "I move that we authorize the District to enter into the four contracts, amendments and/or agreements as listed under New Business". Marianne Cone seconded. Motion unanimously carried.

1. Consideration of Contract between the United States of America, Weber Basin Water Conservancy District and Park City Water Service District for the sale of the use of untreated project water, in a form approved by the City Attorney

2. Consideration of Contract between Weber Basin Water Conservancy District and Park City Water Service District for the sale of the use of untreated district water, in a form approved by the City Attorney

3. Consideration of Agreement between Mountain Regional Water Special Service District, Park City Water Service District and Summit County regarding implementation of the Summit County Project, in a form approved by the City Attorney

4. Consideration of an Amendment to the Water Supply Agreement by and among Weber Basin Water Conservancy District, Park City Water Service District – Snyderville Basin Water Project, in a form approved by the City Attorney

V ADJOURNMENT

With no further business, the regular meeting of the Water Service District was adjourned.

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

Prepared by Janet M. Scott

City Council
Memorandum

Subject: **Resolution of the Board of Canvassers Certifying the Official Canvasser's Report of the November 6, 2007 General Municipal Election for Park City, Utah**
Author: **Cindy LoPiccolo**
Department: **Legal Department**
Date: **November 15, 2007**
Type of Item: **Informational**

The Summit County Commission is scheduled to canvass the November 6, 2007 General Election on Wednesday, November 14, 2007 at 10:30 a.m., in the Commission Chambers, 60 N. Main Street, Coalville, Utah.

Information pertaining to the Park City General Municipal Election and special bond election will be provided as part of that canvass and incorporated into formal Resolutions certifying the official election results for Park City's election. The Resolution will be emailed and presented to the Park City Board of Canvassers prior to the November 15, 2007 meeting and canvass. I will attend and observe the County canvass.

City Council
Staff Report

Subject: **Historical Society Museum Expansion – Final Bond Resolution**
Author: **Gary Hill**
Department: **Budget, Debt, and Grants**
Date: **November 15, 2007**
Type of Item: **Administrative – Bond Resolution**

Summary Recommendations
The City Council should hold a public hearing and consider adoption of a resolution:
- Authorizing a master lease agreement between the City and the MBA, ground lease and sublease agreements, a bond purchase agreement, and authorizing the issuance of $3.6 million in lease revenue bonds by the Municipal Building Authority and related matters.

The Municipal Building Authority should hold a public hearing and consider adoption of a resolution:
- Authorizing a master lease agreement between the MBA and the City, authorizing the issuance of $3.6 million in lease revenue bonds, and related matters.

Background
On October 11 City Council approved a request to help the Historical Society finance the renovation of the old City Hall building on Main Street into an expanded museum. The City agreed to issue debt through the Municipal Building Authority (MBA) to be paid back by the Historical Society through pledged donations. To formalize the agreement between the MBA, City, and Historical Society, City Council:

I. Approved a ground lease of the building to the MBA and then had the MBA lease the building back to the City;
II. Subleased the building to the Historical Society (updated 99 year lese)
III. Approved a finance and construction agreement with the Historical Society; and
IV. Adopted a Parameters Resolution defining the terms of the MBA lease revenue bond

On November 1st City Council held a public hearing (required by law for private activity bonds). No public input was received. The City Council must now take final action to allow the bonds to be issued and funds to be drawn.

Analysis
On November 25 Council will be asked to adopt a resolution that will authorize the issuance of approximately $3,600,000 principal amount of the Lease Revenue Bonds, Series 2007. A draft of the resolution is attached. The resolution establishes the details of the bond sale such as:

1) Size: The resolution sets the maximum amount of the bonds at $3,600,000. This amount includes financing charges (currently estimated between $50,000 and $85,000).

2) Length to Maturity: The resolution states that the maximum length to maturity will not exceed 10 years, but the bond will actually be repaid in 4 years according the agreement with the Historical Society.

3) Interest Rates: The interest rate for this issuance is a variable rate of 65% of the bank's Prime Lending Rate. As a variable rate, this could go up or down during the life of the bond.

Because of the technical nature of a Municipal Lease Revenue Bond, the City's bond counsel Ballard Spahr Andrews & Ingersol has also requested that the City readopt several of the documents between the City and the MBA as well as between the MBA and Zion's Bank. As some of these documents must be approved by the Municipal Building Authority and others by the City, staff will outline the actions that must be taken by both the City Council and the MBA:

City Council Actions:
City Council should hold a public hearing and consider the adoption of a resolution that does the following:

- approves a master lease agreement between the City and the MBA;
- approves a ground lease agreement, a sublease agreement, and a bond purchase agreement;
- authorizes the issuance and sale by the MBA of $3.6 million in lease revenue bonds;
- authorizes and approves the execution of a General Indenture of Trust and First Supplemental Indenture of Trust between the MBA and Zions Bank (the trustee) as well as a ground lease.

Municipal Building Authority (MBA) Actions:
The MBA board should hold a public hearing and consider the adoption of a resolution that does the following:

- approves a master lease agreement between the City and the MBA;
- authorizes the issuance and sale of $3.6 million in lease revenue bonds;
- authorizes and approves the execution of a General Indenture of Trust and First Supplemental Indenture of Trust between the MBA and Zions Bank (the trustee) as well as a ground lease, and related matters.

Department Review:
Legal, City Manager, Budget

Alternatives:
A. Approve the Request: Adopting the Final Bond Resolution (and related documents) will confirm the sale and authorize the execution of all related matters.

B. Deny the Request, Continue the Item, or Do Nothing: Failure to adopt the Final Bond Resolution will abandon the sale and prevent the City from issuing this debt series at this time. This would not allow the Historical Society to renovate the museum at this time.

Significant Impacts: Adoption of this resolution will allow the Historical Society to begin construction on the museum renovation project.

Consequences of not taking the recommended action:
If the bond is not approved, the Historical Society may need to relocate the museum and abandon their expansion plans, which could mean that the museum would no longer be located on Main Street. A delay in taking action on the 15th could seriously impair the Historical Society's ability to complete construction as scheduled.

Recommendation: The City Council should hold a public hearing and consider adoption of a resolution:

- Authorizing a master lease agreement between the City and the MBA, ground lease and sublease agreements, a bond purchase agreement, and authorizing the issuance of $3.6 million in lease revenue bonds by the Municipal Building Authority and related matters.

The Municipal Building Authority should hold a public hearing and consider adoption of a resolution:

- Authorizing a master lease agreement between the MBA and the City, authorizing the issuance of $3.6 million in lease revenue bonds, and related matters.

Exhibits:
A – Draft City Resolution
B – Draft MBA Resolution
C – Bond Purchase Agreement*
D – Leasehold Deed of Trust*
E – Master Lease Agreement*
F – Ground Lease Agreement*
G –General Indenture if Trust*
H – First Supplemental Indenture of Trust*

*Attachments available under separate cover

RESOLUTION NO. ____________

A RESOLUTION OF THE CITY COUNCIL OF PARK CITY, UTAH (THE "CITY") AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A MASTER LEASE AGREEMENT, BY AND BETWEEN THE CITY AND THE MUNICIPAL BUILDING AUTHORITY OF PARK CITY, UTAH (THE "AUTHORITY"), A GROUND LEASE AGREEMENT, A SUBLEASE AGREEMENT, AND A BOND PURCHASE AGREEMENT; AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS LEASE REVENUE BONDS, SERIES 2007, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $3,600,000 TO (I) FINANCE THE COSTS OF IMPROVEMENTS TO THE OLD CITY HALL MUSEUM OWNED BY THE CITY FOR USE BY THE PARK CITY HISTORICAL SOCIETY, AND RELATED IMPROVEMENTS (THE "PROJECT") AND (II) PAY COSTS ASSOCIATED WITH THE ISSUANCE OF THE BONDS; AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A GENERAL INDENTURE OF TRUST AND FIRST SUPPLEMENTAL INDENTURE OF TRUST, EACH BY AND BETWEEN THE AUTHORITY AND ZIONS FIRST NATIONAL BANK AS TRUSTEE, A GROUND LEASE AGREEMENT, AND CERTAIN SECURITY DOCUMENTS, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the "Council") of Park City, Utah (the "City") has previously authorized and directed the creation of the Municipal Building Authority of Park City, Utah (the "Authority") pursuant to the provisions of a resolution adopted on April 14, 1983 (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the Council, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended, and the Utah Municipal Building Authority Act, Title 17A, Chapter 3, Part 9, Utah Code Annotated 1953, as amended (the "Building Authority Act"); and

WHEREAS, under the Articles of Incorporation of the Authority (the "Articles"), the objects and purposes for which the Authority has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their costs on behalf of the City in accordance with the procedures and subject to the limitations of the Building Authority Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, pursuant to the provisions of the Building Authority Act the Governing Board (the “Board”) of the Authority has authority to issue its lease revenue bonds for the purpose of financing certain municipal improvements for and on behalf of the City); and

WHEREAS, under the direction of the City, the Board desires to issue the Authority’s Lease Revenue Bonds, Series 2007 (the “Bonds”) in the aggregate principal amount of not to exceed $3,600,000 to (i) finance the costs of improvements to the Old City Hall Museum owned by the City for use by the Park City Historical Society, a Utah non-profit corporation (the “Society”), and related improvements (the “Project”) and (ii) pay costs associated with the issuance of the Bonds; and

WHEREAS, the Board on October 11, 2007, adopted a resolution (the “Parameters Resolution”) approving the issuance and sale of the Bonds in an aggregate principal amount of not more than $3,600,000 and directed the publication of a “Notice of Bonds to be Issued and of Public Hearing”, which notice was published on October 17, 2007 (the “Publication”); and

WHEREAS, pursuant to Section 17A-3-909(10) of the Building Authority Act, the Publication constitutes the Authority’s notice of intent to issue bonds and will provide for a 30-day period in which the registered voters of the City may submit a written petition requesting an election to approve or disapprove the issuance of the Bonds; and

WHEREAS, pursuant to the Parameters Resolutions and provisions of the Act, a public hearing (the “Hearing”) with respect to the issuance of the Bonds was held on November 1, 2007, following the Publication, which Publication was made not less than fourteen (14) days prior to the hearing in the Park Record, a newspaper of general circulation in the City; and

WHEREAS, the City is the owner of fee simple title to the sites of the Project and the Authority desires to lease such property from the City pursuant to the terms and provisions of a Ground Lease Agreement dated as of November 1, 2007 (the “Ground Lease”) in substantially the form presented to this meeting and attached hereto as Exhibit B and herein authorized and approved; and

WHEREAS, the Authority desires to lease the Project, as lessor, on an annually renewal basis, to the City, as lessee; and

WHEREAS, the Project is to be leased to the City by the Authority, pursuant to the terms and provisions of the Master Lease Agreement dated as of November 1, 2007 (the “Master Lease”) by and between the Authority and the City in substantially the form presented to this meeting and attached hereto as Exhibit C; and

WHEREAS, the City intends to sublease the Project to the Society, pursuant to the terms and provisions of and Amended and Restated Park City Municipal Corporation and Park City Historical Society Lease Agreement and related documents (collectively, the “Sublease”); and

WHEREAS, the plans, specifications and estimated costs of the acquisition, construction, improvement, furnishing and equipping of the Project including a Certificate of the engineer/architect for the Project setting forth the estimated useful life of the Project have been submitted to the City and approved by the City Council; and

WHEREAS, the Authority proposes to finance the costs associated with the Project and the paying of costs of issuance by means of the issuance of the Bonds to be issued pursuant to that certain General Indenture of Trust dated as of November 1, 2007 (the "General Indenture") between the Authority and Zions First National Bank, as trustee (the "Trustee"), in substantially the form presented to this meeting and attached hereto as Exhibit D as supplemented by the First Supplemental Indenture of Trust dated as of November 1, 2007 (the "First Supplemental Indenture") between the Trustee and the Authority, in substantially the form presented to this meeting and attached hereto as Exhibit E (the First Supplemental Indenture and the General Indenture are sometimes collectively referred to herein as the "Indenture"); and

WHEREAS, to further secure its payment obligations under Indenture, the Authority proposes to grant a lien on and security interest in the Project pursuant to one or more of the following: (i) a Leasehold Deed of Trust, Assignment of Rents and Security Agreement, (ii) an Assignment of Ground Lease and (iii) any related financing statements on the personal property and fixtures of the Project in substantially the forms presented to this meeting and attached hereto as Exhibit F (collectively the "Security Documents"); and

WHEREAS, the Authority has negotiated the purchase of the Bonds with Zions First National Bank (the "Purchaser") pursuant to the terms of a Bond Purchase Agreement dated as of the date hereof (the "Purchase Contract"), among the Authority, the City and the Purchaser, in the form before this meeting and attached hereto as Exhibit G; and

WHEREAS, in the opinion of the Board, it is the best interest of the Authority that the offer of the Purchaser be accepted and the Bonds be sold to the Purchaser pursuant to the terms of the Purchase Contract; and

WHEREAS, the Authority desires to improve and promote the local health and general welfare of the citizens of the City by entering into the documents and taking the actions described above; and

WHEREAS, the Board, by its Resolution dated November 15, 2007, has or is expected to authorize, approve and direct the execution of the Ground Lease, the Master Lease, the Purchase Contract, the General Indenture, the First Supplemental Indenture, and the Security Documents and certain other acts to be taken by the Authority in connection therewith; and

WHEREAS, the City Council desires to approve and direct the execution of the Ground Lease, the Master Lease, the Security Documents and the Purchase Contract by the City and to authorize the issuance of the Bonds and the financing of the Project by the

Authority and to further authorize the execution of the Ground Lease, the Master Lease, the Purchase Contract, the General Indenture, the First Supplemental Indenture (including any reserve instrument agreements in connection therewith) and the Security Documents, and certain other acts to be taken by the Authority in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PARK CITY, UTAH AS FOLLOWS:

Section 1. All terms defined in the recitals hereto shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution or the Creating Ordinance) by the City Council and by the officers of the Authority directed toward the issuance of the Bonds and the financing of the Project, are hereby ratified, approved and confirmed.

Section 2. The City Council hereby approves the estimated costs of the Project and finds and determines, pursuant to the Constitution and laws of the State of Utah, that the leasing of the Project under the terms and provisions and for the purposes set forth in the Master Lease and the other documents, instruments and conveyances hereinafter approved and authorized, is necessary, convenient and in furtherance of the governmental and proprietary purposes of the City and is in the best interest of the citizens of the City, and the City Council hereby authorizes the financing of the Project by the Authority in accordance with the provisions of the Indenture and the leasing and subleasing of the Project in the manner provided in the Master Lease, the Sublease and the Ground Lease. As provided in the Master Lease, the City and the Authority are hereby authorized to undertake construction, equipping and furnishing of the Project.

Section 3. The Ground Lease, the Master Lease, the Purchase Contract, and the Security Documents, in substantially the respective forms presented to this meeting and attached hereto as exhibits, are in all respects approved, authorized and confirmed, and the Mayor of the City (the "Mayor") is authorized to approve the final terms thereof and to execute and deliver the Ground Lease, the Master Lease, the Purchase Contract, and the Security Documents in the forms and with substantially the same content as attached hereto for and on behalf of the City. When authorized by the Governing Body of the Authority, the City hereby approves and authorizes the execution and delivery of the Master Lease, the General Indenture, the First Supplemental Indenture (including any reserve instrument agreements in connection therewith), the Security Documents, the Ground Lease, and the Purchase Contract, by the Authority in substantially the forms presented to this meeting and attached hereto as exhibits for and on behalf of the Authority.

Section 4. For the purpose of providing funds to finance the Project and to pay certain costs of issuance and for such other purposes as may be authorized under the First Supplemental Indenture, the Authority shall issue the Bonds which shall be designated "Municipal Building Authority of Park City, Utah, Lease Revenue Bonds, Series 2007."

Section 5. The City hereby authorizes the Authority to sell all of the Bonds to the Purchaser pursuant to the terms of the Purchase Contract in the aggregate principal amount of not to exceed $3,600,000 and at a purchase price equal to the par amount thereof, plus accrued interest, if any, to the date of delivery of the Bonds. The Bonds shall be dated as of the date of delivery and shall be advanced in principal components, bear interest and mature as set forth in the First Supplemental Indenture.

The Bonds shall be delivered to the Purchaser after due payment therefor in accordance with the terms of the Purchase Contract, which is hereby authorized and approved in the form before this meeting. The Mayor is hereby authorized to execute and deliver the Purchase Contract in the form that is before this meeting.

The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Indenture. The Bonds shall mature prior to the expiration of the estimated useful life of the Project. The Chair of the Authority (the "Chair") is hereby authorized to execute the Bonds and to deliver the Bonds to the Purchaser. The Secretary of the Authority is authorized to attest to the signature of the Chair and to cause the seal of the Authority to be affixed to the Bonds. The signatures of the Chair and the Secretary of the Authority may be by facsimile or manual execution.

Section 6. The appropriate officers of the City and the Authority are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and are authorized to take all action necessary in conformity with the Building Authority Act and the Articles to finance the Project, to acquire and construct the Project, to lease the Project pursuant to the Master Lease and to sublease the Project pursuant to the Sublease, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Indenture and the sale and delivery of the Bonds.

Section 7. Upon their issuance, the Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Bonds and the Indenture. No provision of this Resolution, the Ground Lease, the Master Lease, the Sublease, the Indenture, the Bonds, the Security Documents, nor any other instrument authorized hereby, shall be construed as creating a general obligation of the Authority or of creating a general obligation of the City, nor as incurring or creating a charge upon the general credit of the City or against its taxing powers. The City shall not be obligated to pay out of its funds, revenues, or accounts, or to make any payment in respect of the Bonds, except in connection with the payment of the Base Rentals, Additional Rentals and Purchase Option Price pursuant to the Master Lease (as those terms are defined in the Master Lease) which are subject to annual appropriation by the City in accordance with the provisions of such Master Lease.

Section 8. The Mayor is hereby authorized to make any alterations, changes or additions in the Master Lease, and the Ground Lease, herein approved and authorized necessary to correct errors or omissions therein, to remove ambiguities therefrom, or to conform the same to other provisions of such instruments, to the requests of the

Purchaser, to the provisions of this Resolution, the Creating Ordinance or the provisions of the laws of the State of Utah or the United States.

Section 9. The appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Ground Lease, the Master Lease, the General Indenture, the First Supplemental Indenture (including any reserve instrument agreements in connection therewith), and the Security Documents herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution, the Creating Ordinance or any resolution adopted by the City or the Authority, the provisions of the laws of the State of Utah or the United States.

Section 10. If any provisions of this Resolution (including the Exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the Exhibits.

Section 11. The City Recorder is hereby authorized to attest to all signatures and acts of any proper official of the City, and, as necessary, to place the seal of the City on the Master Lease, the Ground Lease, and the Purchase Contract. The Mayor and other proper officials of the City and each of them, are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized. Any action authorized to be taken by the Mayor of the City may, in his absence, be taken by any Mayor Pro Tem.

Section 12. The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and, as necessary, to place the seal of the Authority on the Ground Lease, the Master Lease, the General Indenture, the First Supplemental Indenture, the Purchase Contract, and the Security Documents. The Chair and other proper officials of the Authority and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized. Any action authorized to be taken by the Chair may, in his absence, be taken by the Vice President of the Authority.

Section 13. This Resolution shall become effective immediately upon adoption by the City Council.

Section 14. All bylaws, orders and resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

PASSED BY THE CITY COUNCIL OF PARK CITY, UTAH THIS 15TH DAY OF NOVEMBER, 2007.

By:__________________________________
Mayor

(S E A L)

Attest:

By:____________________________
City Recorder

STATE OF UTAH)
) ss.
COUNTY OF SUMMIT)

I, Janet M. Scott, the undersigned duly qualified and acting City Recorder of Park City, Utah (the "City"), do hereby certify:

The foregoing pages are a true, perfect and complete copy of a resolution duly adopted by the City Council during proceedings of the City Council, had and taken at a lawful regular meeting of said City Council held at the City offices in Park City, Utah on the 15th day of November, 2007, commencing at the hour of 6:00 p.m., as recorded in the regular official book of the proceedings of the City kept in my office, and said proceedings were duly had and taken as therein shown, and the meeting therein shown was duly held, and the persons therein were present at said meeting as therein shown.

All members of said City Council of said City were duly notified of said meeting, pursuant to law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City this 15th day of November, 2007.

By: ________________________________
City Recorder

(S E A L)

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Janet M. Scott, the undersigned City Recorder of Park City, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the November 15, 2007, public meeting held by the City Council as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the City's principal offices on November __, 2007, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1" to be delivered to the Park Record on November __, 2007, at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2007 Annual Meeting Schedule for the City (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the City to be held during the year, by causing said Notice to be posted on January 8, 2007, at the principal office of the City and by causing a copy of said Notice to be provided to at least one newspaper of general circulation within the City on January 8, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 15th day of November, 2007.

By:________________________________
City Recorder

(S E A L)

RESOLUTION NO. ________________

A RESOLUTION OF THE MUNICIPAL BUILDING AUTHORITY OF PARK CITY, UTAH (THE "AUTHORITY") AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A MASTER LEASE AGREEMENT, BY AND BETWEEN THE AUTHORITY AND PARK CITY, UTAH (THE "CITY"); AUTHORIZING THE ISSUANCE AND SALE BY THE AUTHORITY OF ITS LEASE REVENUE BONDS, SERIES 2007 (PARK CITY HISTORICAL SOCIETY) (THE "BONDS"), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $3,600,000 TO (I) FINANCE THE COSTS OF IMPROVEMENTS TO THE OLD CITY HALL MUSEUM OWNED BY THE CITY FOR USE BY THE PARK CITY HISTORICAL SOCIETY, A UTAH NON-PROFIT CORPORATION (THE "SOCIETY"), AND RELATED IMPROVEMENTS (THE "PROJECT") AND (II) PAY COSTS ASSOCIATED WITH THE ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A GENERAL INDENTURE OF TRUST AND A FIRST SUPPLEMENTAL INDENTURE OF TRUST BY AND BETWEEN THE AUTHORITY AND ZIONS FIRST NATIONAL BANK, AS TRUSTEE (THE "TRUSTEE"), A GROUND LEASE AGREEMENT, AND CERTAIN SECURITY DOCUMENTS, A BOND PURCHASE AGREEMENT, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, Park City, Utah (the "City") has previously authorized and directed the creation of the Municipal Building Authority of Park City, Utah (the "Authority") pursuant to the provisions of a resolution adopted on April 14, 1983 (the "Creating Resolution"); and

WHEREAS, pursuant to the direction of the City Council of the City (the "City Council") contained in the Creating Resolution, the Authority has been duly and regularly created, established and is organized and existing as a nonprofit corporation under and by virtue of the provisions of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code Annotated 1953, as amended, and the Utah Municipal Building Authority Act, Title 17A, Chapter 3, Part 9, Utah Code Annotated 1953, as amended (the "Building Authority Act"); and

WHEREAS, under the Articles of Incorporation of the Authority (the "Articles"), the objects and purposes for which the Authority has been founded and incorporated are to acquire, improve or extend one or more projects and to finance their costs on behalf of the City in accordance with the procedures and subject to the limitations of the Building Authority Act in order to accomplish the public purpose for which the City exists; and

WHEREAS, pursuant to the provisions of the Building Authority Act the Governing Board (the "Board") of the Authority has authority to issue its lease revenue bonds for the purpose of financing certain municipal improvements for and on behalf of the City); and

WHEREAS, the Board desires to issue the Authority's Lease Revenue Bonds, Series 2007 (Park City Historical Society) (the "Bonds") in the aggregate principal amount of not to exceed $3,600,000 to (i) finance the costs of improvements to the Old City Hall Museum owned by the City for use by the Park City Historical Society, a Utah non-profit corporation (the "Society"), and related improvements (the "Project") and (ii) pay costs associated with the issuance of the Bonds; and

WHEREAS, the Board on October 11, 2007, adopted a resolution (the "Parameters Resolution") approving the issuance and sale of the Bonds in an aggregate principal amount of not more than $3,600,000 and directed the publication of a "Notice of Bonds to be Issued and of Public Hearing", which notice was published on October 17, 2007 (the "Publication"); and

WHEREAS, pursuant to Section 17A-3-909(10) of the Building Authority Act, the Publication constitutes the Authority's notice of intent to issue bonds and will provide for a 30-day period in which the registered voters of the City may submit a written petition requesting an election to approve or disapprove the issuance of the Bonds; and

WHEREAS, pursuant to the Parameters Resolutions and provisions of the Act, a public hearing (the "Hearing") with respect to the issuance of the Bonds was held on November 1, 2007, following the Publication, which Publication was made not less than fourteen (14) days prior to the hearing in the Park Record, a newspaper of general circulation in the City; and

WHEREAS, the City is the owner of fee simple title to the sites of the Project and the Authority desires to lease such property from the City pursuant to the terms and provisions of a Ground Lease Agreement dated as of November 1, 2007 (the "Ground Lease") in substantially the form presented to this meeting and attached hereto as Exhibit B and herein authorized and approved; and

WHEREAS, the Authority desires to lease the Project, as lessor, on an annually renewal basis, to the City, as lessee pursuant to the terms and provisions of the Master Lease Agreement dated as of November 1, 2007 (the "Master Lease") by and between the Authority and the City in substantially the form presented to this meeting and attached hereto as Exhibit C; and

WHEREAS, the City intends to Sublease the Project to the Society pursuant to the terms and provisions of an Amended and Restated Park City Municipal Corporation and Park City Historical Society Lease Agreement and related documents (collectively, the "Sublease"); and

WHEREAS, the plans, specifications and estimated costs of the acquisition, construction, improvement, furnishing and equipping of the Project including a

Certificate of the engineer/architect for the Project setting forth the estimated useful life of the Project have been submitted to the City and approved by the City Council; and

WHEREAS, the Authority proposes to finance the costs associated with the Project and the paying of costs of issuance by means of the issuance of the Bonds to be issued pursuant to that certain General Indenture of Trust dated as of November 1, 2007 (the "General Indenture") between the Authority and Zions First National Bank, as trustee (the "Trustee"), in substantially the form presented to this meeting and attached hereto as Exhibit D as supplemented by the First Supplemental Indenture of Trust dated as of November 1, 2007 (the "First Supplemental Indenture") between the Trustee and the Authority, in substantially the form presented to this meeting and attached hereto as Exhibit E (the First Supplemental Indenture and the General Indenture are sometimes collectively referred to herein as the "Indenture"); and

WHEREAS, to further secure its payment obligations under Indenture, the Authority proposes to grant a lien on and security interest in the Project pursuant to one or more of the following: (i) a Leasehold Deed of Trust, Assignment of Rents and Security Agreement, (ii) an Assignment of Ground Lease and (iii) any related financing statements on the personal property and fixtures of the Project in substantially the forms presented to this meeting and attached hereto as Exhibit F (collectively the "Security Documents"); and

WHEREAS, the Authority has negotiated the purchase of the Bonds with Zions First National Bank (the "Purchaser") pursuant to the terms of a Bond Purchase Agreement dated as of the date hereof (the "Purchase Contract"), among the Authority, the City and the Purchaser, in the form before this meeting and attached hereto as Exhibit G; and

WHEREAS, in the opinion of the Board, it is the best interest of the Authority that the offer of the Purchaser be accepted and the Bonds be sold to the Purchaser pursuant to the terms of the Purchase Contract; and

WHEREAS, the Authority desires to improve and promote the local health and general welfare of the citizens of the City by entering into the documents and taking the actions described above; and

WHEREAS, the City Council, by its Resolution dated November 15, 2007 (the "City Resolution") has or is expected to authorize, approve and direct the execution of the Ground Lease, the Master Lease, the Security Documents, and the Purchase Contract by the City and to authorize the issuance of the Bonds and the financing of the Project by the Authority and to further authorize the execution of the Ground Lease, the Master Lease, the Purchase Contract, the General Indenture, the First Supplemental Indenture, and the Security Documents and certain other acts to be taken by the Authority in connection therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE MUNICIPAL BUILDING AUTHORITY OF PARK CITY, UTAH, AS FOLLOWS:

Section 1. All terms defined in the recitals hereto shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution or the Creating Resolution) by the Board and by the officers of the Authority directed toward the issuance of the Bonds and the financing of the Project, are hereby ratified, approved and confirmed.

Section 2. The Authority hereby authorizes, approves and directs the financing of the Project and the paying of costs of issuance by the Authority with all or substantially all of the proceeds of the Bonds in accordance with the provisions of the Indenture, the leasing of the Project in the manner provided in the Ground Lease, the Master Lease, the Sublease, and the Security Documents, and the acquisition and construction of the Project.

Section 3. The Ground Lease, the Master Lease, the General Indenture, the First Supplemental Indenture, the Purchase Contract, and the Security Documents, in substantially the respective forms presented to this meeting and attached hereto as exhibits, are in all respects approved, authorized and confirmed, and the Chair of the Authority (the "Chair") is authorized to approve the final terms thereof and to execute and deliver the Ground Lease, the Master Lease, the General Indenture, the First Supplemental Indenture, the Purchase Contract, and the Security Documents in the forms and with substantially the same content as attached hereto for and on behalf of the Authority.

Section 4. For the purpose of providing funds to finance the Project and to pay certain costs of issuance and for such other purposes as may be authorized under the First Supplemental Indenture, the Authority shall issue the Bonds which shall be designated "Municipal Building Authority of Park City, Utah, Lease Revenue Bonds, Series 2007 (Park City Historical Society)."

Section 5. The Authority hereby authorizes the sale of the Bonds to the Purchaser pursuant to the terms of the Purchase Contract in the aggregate principal amount of not to exceed $3,600,000 and at a purchase price equal to the par amount thereof, plus accrued interest, if any, to the date of delivery of the Bonds. The Bonds shall be dated as of the date of delivery thereof and shall be advanced in principal components, bear interest and mature as set forth in the First Supplemental Indenture.

The Bonds shall be delivered to the Purchaser after due payment therefor in accordance with the terms of the Purchase Contract, which is hereby authorized and approved in the form before this meeting. The Chair is hereby authorized to execute and deliver the Purchase Contract in the form that is before this meeting.

The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Indenture. The Bonds shall mature prior to the expiration of the estimated useful life of the Project. The Chair is hereby authorized to execute the Bonds and to deliver the Bonds to the Purchaser. The Secretary of the Authority is authorized to attest to the signature of the Chair and to cause the seal of the Authority to be affixed to the Bonds. The signatures of the Chair and the Secretary of the Authority may be by facsimile or manual execution.

Section 6. The appropriate officers of the Authority are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and are authorized to take all action necessary in conformity with the Building Authority Act and the Articles to finance the Project, to acquire and construct the Project and to lease the Project pursuant to the Master Lease, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Bonds.

Section 7. Upon their issuance, the Bonds will constitute special limited obligations of the Authority payable solely from and to the extent of the sources set forth in the Bonds and the Indenture. No provision of this Resolution, the Ground Lease, the Master Lease, the Indenture, the Bonds, the Security Documents, nor any other instrument authorized hereby, shall be construed as creating a general obligation of the Authority or of creating a general obligation of the City, nor as incurring or creating a charge upon the general credit of the City or against its taxing powers. The City shall not be obligated to pay out of its funds, revenues, or accounts, or to make any payment in respect of the Bonds, except in connection with the payment of the Base Rentals, Additional Rentals and Purchase Option Price pursuant to the Master Lease (as those terms are defined in the Master Lease) which are subject to annual appropriation by the City in accordance with the provisions of such Master Lease.

Section 8. The appropriate officials of the Authority are authorized to make any alterations, changes or additions in the Ground Lease, the Master Lease, the General Indenture, the First Supplemental Indenture, and the Security Documents herein authorized and approved which may be necessary to correct errors or omissions therein, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this Resolution, the Creating Resolution or any resolution adopted by the City or the Authority, the provisions of the laws of the State of Utah or the United States.

Section 9. If any provisions of this Resolution (including the Exhibits attached hereto) should be held invalid, the invalidity of such provisions shall not affect any of the other provisions of this Resolution or the Exhibits.

Section 10. The Secretary of the Authority is hereby authorized to attest to all signatures and acts of any proper official of the Authority, and, as necessary, to place the seal of the Authority on the Ground Lease, the Master Lease, the General Indenture, the First Supplemental Indenture, the Purchase Contract, and the Security Documents. The Chair and other proper officials of the Authority and each of them, are hereby authorized to execute and deliver for and on behalf of the Authority any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the matters herein authorized. Any action authorized to be taken by the Chair may, in his absence, be taken by the Vice President of the Authority.

Section 11. In accordance with the provisions of the Building Authority Act, the Secretary has caused a "Notice of Bonds to be Issued and of Public Hearing" to be published on October 17, 2007, in the Park Record, a newspaper of general circulation in the City, and caused a copy of the documents referred to therein to be kept on file in the office of the City Recorder of Park City, Utah, for public examination during the regular business hours of the City for a period of at least thirty (30) days from and after the date of publication thereof.

Section 12. This Resolution shall become effective immediately upon adoption by the Board.

Section 13. All bylaws, orders and resolutions of the Authority or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

PASSED BY THE GOVERNING BOARD OF THE MUNICIPAL BUILDING AUTHORITY OF PARK CITY, UTAH THIS 15TH DAY OF NOVEMBER, 2007.

By:____________________________________
Chair

(S E A L)

Attest:

By:______________________________
Secretary

City Council
Staff Report

Author: Ray Milliner
Subject: Boothill Parcel Plat
Date: November 15, 2007
Type of Item: Administrative- Plat

PARK CITY 1884
PLANNING DEPARTMENT

Summary Recommendations
Staff recommends the City Council hold a public hearing for the Boothill Parcel Plat, located at the northeast corner of the Park City Cemetery near the intersection of Kearns Blvd., and Monitor Drive and approve it based on the findings of fact, conclusions of law and conditions of approval as found in the draft ordinance.

Topic

Applicant:	Black Bear Development LLC.
Location:	Parcel #PCA-110-A next to the City Cemetery
Zoning:	GC-General Commercial
Adjacent Land Uses:	Residential Condominiums, Cemetery and City Pump Station.
Reason for Review:	A Plat creating a single lot requires review by the Planning Commission and approval by the City Council.

Background
The applicant has submitted a complete application for to subdivide a 35,252 square foot metes and bounds parcel into one lot of record. The property is located in the General Commercial (GC) zone. If successful, the applicant will develop the property as an office use. On March 20, 1986, the applicant acquired the parcel from the City with certain restrictions on the sale. The restrictions included:

1) That the property can only be used for professional offices and parking associated therewith. No retail sales, food service, bar or tavern, warehouse, theater or place of public assembly, church, school or transient lodging may be done on the property for a period of fifty (50) years.
2) The total building footprint cannot exceed 7,000 square feet, and the floor area may not exceed 18,000 square feet.
3) The building height may not exceed thirty-five (35') above natural grade at any point.
4) The City retained an easement over the parcel to provide an access road to the Boothill Water tank. The location would be specifically described on the final site plan for the building, but shall provide a road fifteen feet (15') wide that does not exceed 15% grade as it crosses the

subject property. The road will be maintained across the property at the expense of the property owner and may be combined with parking area access roads.

Black Bear Development LLC has applied for a subdivision plat to create a one lot subdivision separate from the city's property upon which they intend to construct an office building pursuant to the conditions listed above.

This plat was reviewed by the Planning Commission on October 24, 2007, following a public hearing; the Commission forwarded a positive recommendation to the City Council.

Analysis

The proposed plat creates a separate lot adjacent to the City owned Boothill Parcel. The current access road to the Boothill Water Tank and Pump Station are on the city property, this has been confirmed by a survey done by the City Water department. Notwithstanding that fact, the city is not required, nor do they propose, to abandon the right to an easement at this time.

The access to the property is through a triangular sliver of land belonging to the Boothill Condominiums. It shows as an access easement on the plat, and is reflected in the title report. Applicant has agreed, and a plat note has been required, indicating that applicant will maintain the access easement and landscaping.

Other conditions listed on the ordinance are requirements necessary before the final plat can be signed. These relate to wording of plat notes to remove references to Grantor and Grantee and to insure the applicant has satisfied the requirements of Snyderville Basin Water Reclamation District, who must sign the final plat.

The proposal is consistent with the Land Management Code regarding subdivisions and plats. Staff finds good cause for this plat amendment, in that the amendment will allow for the conditions imposed on the sale of the property by Park City to be realized, and needed office space to be constructed in compliance with those conditions.

Department Review

This project has gone through an interdepartmental review with the Planning Department, Building Department, City Engineer, Legal Department and Utilities. The issues discussed have been resolved except for requirements of Snyderville Basin Water Reclamation District, which are addressed as conditions of approval.

Notice

The property was posted and notice was mailed to property owners within 300 feet. Legal notice was also put in the Park Record.

Public Input
No public input has been received as of the time of the writing of this report.

Alternatives

- The City Council may approve the Boothill Parcel Plat as conditioned or amended, or
- The City Council may deny the Boothill Parcel Plat and direct staff to make Findings for this decision, or
- The City Council may continue the discussion on the Boothill Parcel Plat, or
- The City Council may remand the Boothill Parcel Plat to the Planning Commission for further discussion.

Significant Impacts
There are no significant fiscal or environmental impacts from this application.

Consequences of not taking the Suggested Recommendation
The existing metes and bounds parcel would remain and no office building could be built. This would result in a dispute between the property owner and the city, as seller of the parcel.

Recommendation
Staff recommends the Planning Commission hold a public hearing for the Boothill Parcel Plat and forward a positive recommendation to the City Council based on the findings of fact, conclusions of law and conditions of approval as found in the draft ordinance.

Exhibits:
Attachment “1” Draft Ordinance
    Exhibit “A” Boothill Parcel Plat
Attachment “2” Proposed Draft Site Plan for Building

Draft Ordinance-Attachment “1”
Ordinance No. 07-

AN ORDINANCE APPROVING THE BOOTHILL PARCEL PLAT, LOCATED NEAR THE CORNER OF MONITER DRIVE AND KEARNS BLVD., PARK CITY, UTAH.

WHEREAS, the owners of the property located at the northeast corner of the Park City Cemetery between the Boothill Condominiums and the City’s pump station, have petitioned the City Council for approval of the Boothill Parcel Plat; and

WHEREAS, the property was properly noticed and posted according to the requirements of the Land Management Code; and

WHEREAS, proper legal notice was published and sent to all affected property owners; and

WHEREAS, the Planning Commission held a public hearing on October 24, 2007, to receive input on the Boothill Parcel Plat;

WHEREAS, the Planning Commission, on October 24, 2007, forwarded a positive recommendation to the City Council; and,

WHEREAS, on November 15, 2007, the City Council held a Public Hearing on the Boothill Parcel Plat; and

WHEREAS, it is in the best interest of Park City, Utah to approve the Boothill Parcel Plat.

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

<u>SECTION 1. APPROVAL.</u> The above recitals are hereby incorporated as findings of fact. The Boothill Parcel Plat, as shown in Exhibit A is approved subject to the following Findings of Facts, Conclusions of Law, and Conditions of Approval:

<u>Findings of Fact</u>:
1) The property is located near the intersection of Monitor Drive and Kearns Blvd northeast of the cemetery and between the Boothill Condominiums and the City’s pump station.
2) The zoning is General Commercial (GC), and surrounded by the cemetery and residential condominiums.
3) The proposed lot was previously part of the city owned property located in the Northwest Quarter of Section 9, Township 2, South, Range 4 East, Salt Lake Base and Meridian, Summit County, Utah, and is 35,252 square feet in area.
4) Park City Municipal sold said property on March 20, 1986 with conditions imposed on the property.
5) The conditions were intended to apply to any future development of the property.

<u>Conclusions of Law</u>:
1) There is good cause for this plat amendment.
2) The plat amendment is consistent with the Park City Land Management Code and applicable State law regarding subdivisions.
3) Neither the public nor any person will be materially injured by the proposed plat amendment.

4) Approval of the plat amendment, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

Conditions of Approval:

1) The City Attorney and City Engineer will review and approve the final form and content of the plat amendment for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2) The applicant will record the plat amendment at the County within one year from the date of City Council approval.
3) If recordation has not occurred within one year's time, this approval for the plat will be void.
4) The property can only be used for professional offices and parking associated therewith. No retail sales, food service, bar or tavern, warehouse, theater or place of public assembly, church, school or transient lodging may be done on the property for a period of fifty (50) years commencing March 20, 1986.
5) The total building footprint cannot exceed 7,000 square feet, and the floor area may not exceed 18,000 square feet.
6) The building height may not exceed thirty-five (35') above natural grade at any point.
7) The City retained an easement over the parcel to provide an access road to the Boothill Water tank. The location shall be specifically described on the final site plan for the building, but shall provide a road fifteen feet (15') wide that does not exceed 15% grade as it crosses the subject property. The road will be built and maintained across the property at the expense of the property owner and may be combined with parking area access roads.
8) Notes shall be placed on the plat memorializing Conditions 4, 5, 6 and 7.

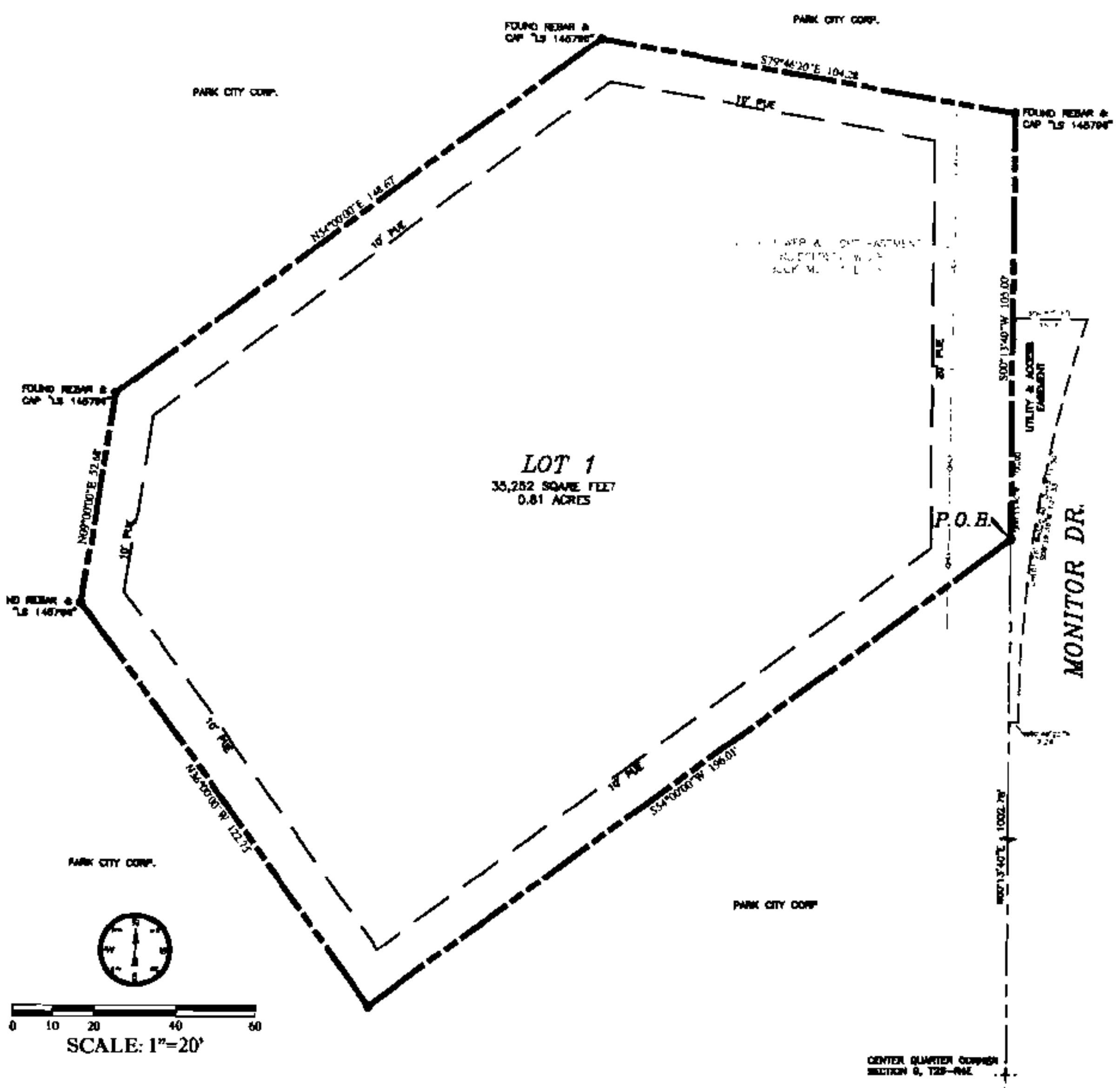
SECTION 2. EFFECTIVE DATE. This Ordinance shall take effect upon publication.

PASSED AND ADOPTED this ____ day of _____2007.

BOOTHILL PARCEL PLAT

LOCATED IN NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, SUMMIT COUNTY, UTAH

SHEET 1 OF 1



OWNER'S DEDICATION AND CONSENT TO RECORD

KNOWN ALL MEN BY THESE PRESENT THAT BLACK BEAR DEVELOPMENT, LLC IS THE OWNER OF THE HEREON DESCRIBED TRACT OF LAND HAVING CAUSED THE SAME TO BE SUBDIVIDED INTO LOTS AND STREETS, HEREAFTER TO BE KNOWN AS "BOOTHILL PARCEL PLAT", DOES HEREBY DEDICATE TO

EXECUTED THIS ______ DAY OF __________ 2007

BY: BLACK BEAR DEVELOPMENT, LLC
ITS: REPRESENTATIVE

____
BY HARISON HORN

ACKNOWLEDGMENT

STATE OF UTAH)
COUNTY OF SUMMIT)

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ______ DAY OF __________ 2007,
BY ______________________________

____
NOTARY PUBLIC

____
MY COMMISSION EXPIRES

____
RESIDING AT

SURVEYOR'S CERTIFICATE

I, ERIC D. ROBINS, DO HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR AND THAT I HOLD CERTIFICATE NO. [illegible] AS PRESCRIBED UNDER THE LAWS OF THE STATE OF UTAH. I FURTHER CERTIFY, ON BEHALF OF JACK JOHNSON COMPANY, THAT A SURVEY HAS BEEN MADE OF THE LAND SHOWN ON THIS PLAT AND DESCRIBED HEREON. I FURTHER CERTIFY THAT THIS PLAT IS A CORRECT REPRESENTATION OF THE LAND SURVEYED AND HAS BEEN PREPARED IN CONFORMITY WITH THE MINIMUM STANDARDS AND REQUIREMENTS OF THE LAW.

LEGAL DESCRIPTION

BEGINNING AT A POINT WHICH IS NORTH 00°13'40" EAST 1002.78 FEET FROM THE SOUTHWEST CORNER OF THE NORTHEAST QUARTER AND ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE SOUTH 54°00'00" WEST, 196.00 FEET; THENCE NORTH 36°00'00" WEST 122.73 FEET; THENCE NORTH 00°00'00" EAST, 52.68 FEET; THENCE NORTH 54°00'00" EAST, 148.67 FEET; THENCE SOUTH 79°46'20" EAST 104.28 FEET TO SAID WEST LINE OF THE NORTHEAST QUARTER OF SECTION 9; THENCE SOUTH 00°13'40" WEST, 109.00 FEET ALONG SAID WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9 TO THE POINT OF BEGINNING.

TOGETHER WITH A 100 FOOT UTILITY AND ACCESS EASEMENT AS SET FORTH ON THE RECORD OF SURVEY MAP OF BOOTHILL CONDOMINIUMS RECORDED MARCH 5, 1982 AS ENTRY NO. [illegible] OF THE OFFICIAL RECORDS, SAID EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

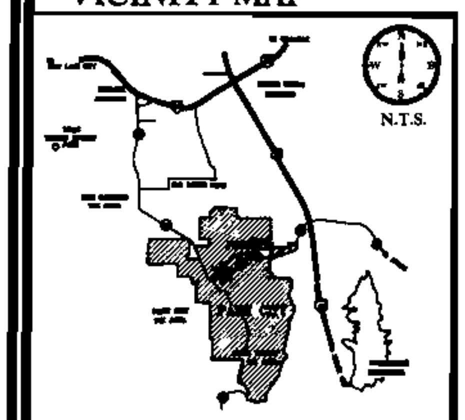
A UTILITY AND ACCESS EASEMENT OVER THE FOLLOWING DESCRIBED PROPERTY

BEGINNING AT THE CENTER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH 00°13'40" EAST 907.66 FEET ALONG THE WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9, TO THE TRUE POINT OF BEGINNING AND RUNNING THENCE NORTH 00°13'40" EAST, ALONG SAID WEST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9, A DISTANCE OF 100.00 FEET; THENCE SOUTH 89°57'18" EAST, 18.26 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF A 60.00 FOOT WIDE ROAD KNOWN AS MONITOR DRIVE, SAID POINT BEING ON A 320.40 FOOT RADIUS CURVE TO THE LEFT (CENTER BEARS SOUTH 71°34'29" EAST, 320.40 FEET); THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE AND RIGHT OF WAY LINE 101.76 FEET; THENCE NORTH 89°46'20" WEST 2.24 FEET TO THE TRUE POINT OF BEGINNING.

PLAT NOTES

1. THIS SITE IS ZONED (GC) GENERAL COMMERCIAL.
2. THE MINIMUM FRONT YARD IS TWENTY FEET FOR ALL MAIN AND ACCESSORY BUILDINGS AND USES. THE TWENTY FOOT FRONT YARD MAY BE REDUCED TO TEN FEET, PROVIDED ALL ON-SITE PARKING IS AT THE REAR OF THE PROPERTY OR UNDER GROUND. THE MINIMUM SIDE AND REAR YARD IS TEN FEET.
3. NO VISUAL OBSTRUCTION IN EXCESS OF TWO FEET IN HEIGHT ABOVE ROAD GRADE SHALL BE PLACED ON ANY CORNER LOT WITHIN THE SITE DISTANCE TRIANGLE.
4. THE PROPERTY MAY BE USED ONLY FOR PROFESSIONAL OFFICES AND THE PARKING ASSOCIATED WITH THOSE OFFICES. NO RETAIL SALES, FOOD SERVICE, BAR OR TAVERN, WAREHOUSING, THEATER OR PLACE OF PUBLIC ASSEMBLY, CHURCH, SCHOOL, OR TRANSIENT LODGING USES MAY BE MADE OF THE PROPERTY.
5. THE TOTAL LAND AREA ENCOMPASSED WITHIN THE FOUNDATION AND EXTERIOR WALLS OF THE BUILDING CONSTRUCTED ON THE PROPERTY MAY NOT EXCEED 7,000 SQUARE FEET OF LAND AREA.
6. THE MAXIMUM BUILDING FLOOR AREA, EXCLUSIVE OF THE PARKING, MAY NOT EXCEED 14,000 SQUARE FEET.
7. THE MAXIMUM BUILDING HEIGHT MAY NOT EXCEED 30 FEET ABOVE THE NATURAL GRADE AT ANY POINT.
8. PARK CITY MUNICIPAL CORPORATION RESERVES AN EASEMENT OVER THE PARCEL TO PROVIDE AN ACCESS ROAD TO THE BOOT HILL WATER TANK. THE ACCESS ROAD LOCATION WILL BE SPECIFICALLY DESCRIBED UPON COMPLETION OF A FINAL SITE PLAN OF THE GRANTEE'S IMPROVEMENTS, BUT SHALL PROVIDE A ROAD FIFTEEN (15) FEET IN WIDTH THAT DOES NOT EXCEED FIFTEEN (15) PERCENT GRADE AS IT CROSSES THE SUBJECT PROPERTY AND RE-CONNECTS TO THE EXISTING TANK ACCESS ROAD. THE ROAD WILL BE GRADED AND GRAVELED AT THE EXPENSE OF THE GRANTEE, AND MAY BE COMBINED WITH PARKING ACCESS ROADS.
9. GRANTOR DOES NOT WARRANT ACCESS OVER THE PROPERTY OWNED BY THE BOOT HILL CONDOMINIUMS PROPERTY FRONTING THE MONITOR DRIVE, ALTHOUGH THE RECORDED PLAT FOR THAT PROJECT APPEARS TO GRANT A GENERAL "ACCESS EASEMENT" OVER THE EXTREME SOUTH END OF THE CONDOMINIUM PROPERTY.

VICINITY MAP



CERTIFICATE OF ATTEST

I CERTIFY THIS RECORD OF SURVEY MAP WAS APPROVED BY PARK CITY COUNCIL THIS ______, DAY OF __________, 2007

____
PARK CITY RECORDER

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT

REVIEWED FOR CONFORMANCE TO SNYDERVILLE BASIN WATER RECLAMATION DISTRICT STANDARDS THIS ______ DAY OF __________ 2007

____
S.B.W.R.D.

CITY COUNCIL APPROVAL

PRESENTED TO THE BOARD OF __________ CITY COUNCIL THIS ______ DAY OF ______ 2006 AT WHICH TIME THIS RECORD OF SURVEY WAS APPROVED

____
MAYOR

CITY ENGINEER

APPROVED AND ACCEPTED BY THE __________ CITY ENGINEERING DEPARTMENT ON THIS ______ DAY OF __________ 2007

____
CITY ENGINEER

CITY PLANNING COMMISSION

APPROVED AND ACCEPTED BY THE __________ CITY PLANNING COMMISSION ON THIS ______ DAY OF __________ 2007

____
CHAIRMAN

APPROVAL AS TO FORM

APPROVED AS TO FORM ON THIS ______, DAY OF __________, 2007

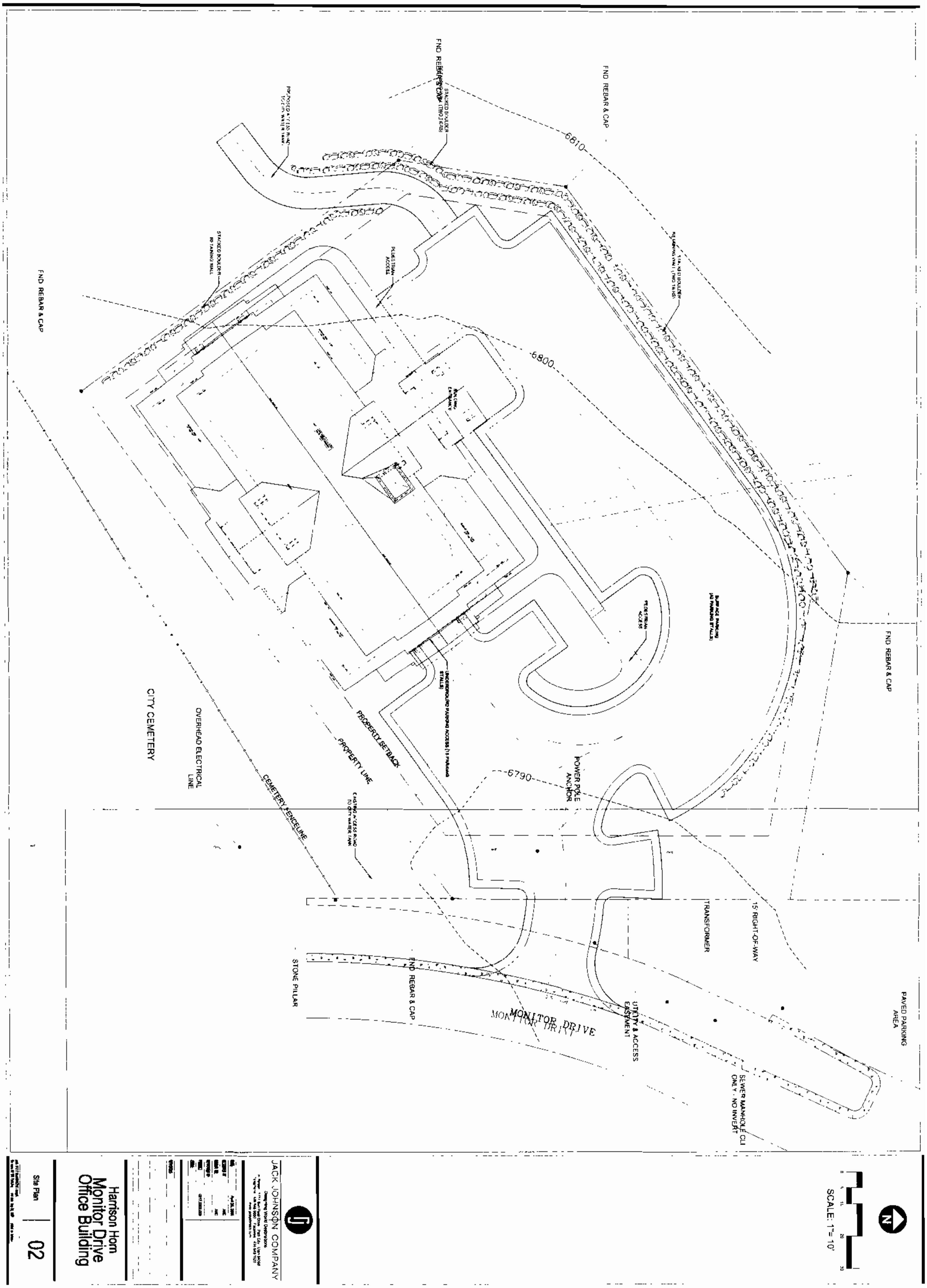
____
COUNTY ATTORNEY

RECORDED

ENTRY NO. __________, BOOK ______, PAGE ______
STATE OF UTAH COUNTY OF SUMMIT
DATE __________ TIME ______
RECORDED AND FILED AT THE REQUEST OF

____

JACK JOHNSON COMPANY
Designing World Destinations
In-Person - 1777 Sun Peak Drive - Park City - Utah 84098
Telephone 435 645 9000 – Facsimile - 435 649 1620
www.jackjohnson.com



FND REBAR & CAP
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6810
6800
6790
CITY CEMETERY
OVERHEAD ELECTRICAL LINE
CEMETERY FENCELINE
PROPERTY LINE
PROPERTY SETBACK
POWER POLE ANCHOR
STONE PILLAR
TRANSFORMER
15' RIGHT-OF-WAY
PAVED PARKING AREA
MONITOR DRIVE
UTILITY & ACCESS EASEMENT
SEWER MANHOLE CLI ONLY - NO INVERT
SCALE: 1"= 10'
JACK JOHNSON COMPANY
Harrison Horn
Monitor Drive
Office Building
Site Plan
02

City Council Staff Report

Subject:	**Acceptance of Public Improvements at, and Relating to, Banner Wood Subdivision and Silver Strike Subdivision**
Author:	**Eric DeHaan**
Department:	**Executive**
Date:	**November 15, 2007**
Type of Item:	**Legislative**

Summary Recommendations:
The Council should approve the ordinance accepting the public improvements at, and relating to, Banner Wood Subdivision and Silver Strike Subdivision.

Topic/Description:
Empire Pass has been under construction for several years now. Much of the water system serving Empire Pass has been completed and the developer has requested that the City accept a large portion of the water system as part of the City system. This transition has long been anticipated, and it marks normal progress in the build-out of a major new development like Empire Pass. An ordinance is attached which will accept the public improvements as described. Land Management Code Section 15-7.2-1 provides for the City Council to accept those public improvements which are dedicated and built in accordance with LMC Chapter 7.

Background:
Banner Wood and Silver Strike are two small subdivisions in the Village at Empire Pass, near the Grand Lodge. Both subdivisions are located on Silver Strike Trail, which is a private road, so the "public improvements" which would be accepted consist only of water lines and appurtenances. However, the complex Empire Pass water system also includes a pump station above the end of Daly Avenue, now known as the Daly Avenue pump station. This pump station is connected to the Village at Empire Pass with a water line as well as radio telemetering. The Daly Avenue pump station pulls water from the Woodside Tank and pushes it up to the existing Lodge water tank located just above the Empire Canyon Day Lodge, where the water is distributed to the Village at Empire Pass, including Banner Wood and Silver Strike. Maintenance costs for the City's expanded water system will inevitably increase. These increased costs can be offset by revenues from Empire Pass, and this tradeoff was contemplated by Council when Empire Pass and other difficult-to-serve areas were annexed.

Analysis:
With this proposed acceptance of public improvements, the guts of the Empire Pass water system will belong to the City with the exception of minor projects and with the notable exception of the nearly-completed Red Cloud/County Line Tank and the lines connected to that tank. The Daly Avenue pump station provides redundancy in serving the Lodge water tank, which can also be filled with water from the Bald Eagle Tank if

necessary. The normal mode of operation for the Daly Avenue pump station will be to use water from the Boot Hill tanks boosted to the Woodside tank using the Boot Hill Transmission Line in Bonanza Drive, which is scheduled for completion in 2009. The enormous Montage Spa and Hotel will be served with water from the Lodge Tank, backed up by the Red Cloud/County Line Tank in the event of fire flows. Maintenance responsibility for the elaborate Empire Pass system will greatly add to the Water Department's workload, as anticipated by the City Council when Park City agreed to annex what was then called Flagstaff, as modified by the subsequent Montage/PCMR annexation, in order to control development and increase tax revenues.

Maintenance is difficult because so much of the water system is off-road in obscure snow-covered gullies and ski runs, so response times are lengthened and problem-identification is hard. Also, the frost level gets very deep above 6,800 feet, making excavations difficult. Much of Empire Pass is over 8,000 feet.

Department Review:
This report has been reviewed by Legal and Public Works. The design and construction of the improvements has been coordinated with the Water Department. Any necessary repairs are financially guaranteed for one year following the date of acceptance.

Alternatives:

A. Approve the Request:
Approving the attached ordinance will provide for an orderly transition to the City.

B. Deny the Request:
The City has approved numerous plats and agreements relating to Empire Pass, so denying the requested ordinance is probably not a viable option this late in the process.

C. Continue the Item:
If the Council needs more information, the ordinance can be continued.

D. Do Nothing:
Doing nothing is probably not a viable option this late in the process.

Significant Impacts:
The Daly Avenue Pump Station pressurizes water to 500 pounds per square inch to boost it to Empire Pass. The pump station and its related lines will represent a significant and perpetual economic burden on the City and a significant and perpetual maintenance responsibility for the Water Department. Power bills will be substantial.

Consequences of not taking the recommended action:
If the Council does not accept the public improvements, the Staff would have to meet with the developer to resolve the situation, but legal constraints would likely force the City to accept the public improvements.

Recommendation:
The Council should approve the ordinance accepting the public improvements at, and relating to, Banner Wood Subdivision and Silver Strike Subdivision.

When recorded please return to:
Park City Municipal Corporation
Attn: City Engineer
PO Box 1480
Park City UT 84060

ORDINANCE NO. 07-

AN ORDINANCE ACCEPTING THE PUBLIC IMPROVEMENTS AT AND RELATED TO BANNER WOOD SUBDIVISION AND SILVER STRIKE SUBDIVISION

WHEREAS, Banner Wood Subdivision was approved by the Park City Council on February 10, 2005; and

WHEREAS, Silver Strike Subdivision was approved by the Park City Council on June 29, 2006; and

WHEREAS, construction of the public improvements serving these adjacent subdivisions has been accomplished by the developer; and

WHEREAS, said public improvements consist of the 10-inch water line in Silver Strike Trail, including its appurtenances and its connection at the south end of Silver Strike Trail to the 10-inch water line approximately 300 feet south into the Deer Valley Resort Ski Run, which waterline connects the Bald Eagle vicinity to the Empire Day Lodge vicinity; and

WHEREAS, said public improvements further include the Daly Avenue Pump Station, formerly known as Flagstaff Pump Station #1, and its pumps, valves, building, and proximate related equipment, together with the water line connecting said pump station to the Woodside Tank, and also together with the 10-inch transmission line connecting said pump station to the 12-inch water line within Marsac Avenue in Empire Pass; and

WHEREAS, said public improvements also include the Pressure Reducing Valve Station (PRV) adjacent to Silver Strike Trail, together with the 10-inch class 350 ductile iron water line connecting said PRV at Silver Strike Trail with Empire Club Drive West, all of which foregoing water improvements are hereinafter described as the Improvements; and

WHEREAS, Park City has adopted Land Management Code Section 15-7.2-1.(H), which provides for the City Council to accept those public improvements which are dedicated and built in accordance with the requirements of Title 15 Chapter 7 of the Land Management Code; and

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

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

SECTION 1. PUBLIC IMPROVEMENTS.
The City hereby accepts from the developer all public improvements at and related to Banner Wood and Silver Strike Subdivisions described above, subject to the developer's warranty of the Improvements for one-year following the adoption of this ordinance. Stabilization of all disturbed soil areas with re-vegetation shall have been achieved by the end of the one-year period commencing with the adoption of this ordinance.

SECTION 2. FINANCIAL GUARANTEE.
To guarantee the improvements, Park City shall hold a financial guarantee in an amount approved by the City Engineer and in a form approved by the City Attorney for a period of one year following the date this ordinance is adapted. The guarantee is for the improvements and landscaping (chiefly re-vegetation).

SECTION 3. SNOWPLOWING AND LANDSCAPE MAINTENANCE.
Silver Strike Trail is a private road. City snowplowing will not be provided.

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

Passed and Adopted this _____ day of ___________, 2007.

PARK CITY MUNICIPAL CORPORATION

____
Dana Williams, Mayor

ATTEST:

____
Janet M. Scott, City Recorder

Approved as to Form:

____
Mark D. Harrington, City Attorney

City Council
Staff Report

Author:	**Alison Butz**
Subject:	**Shell Building – Sale of Unit B**
Date:	**November 1, 2007**
Department:	**Sustainability**
Type of Item:	**Administrative – Contracts for purchase of significant property**

Summary Recommendations:
Conduct a public hearing, review the draft agreements and authorize the City Manager to sign a construction agreement and subsequently an agreement for KPCW to purchase Unit B of the Shell Building, for a total amount of $924,676.

Topic:
Disposition of Significant City Property.

Background:
The Marsac Building seismic upgrade is scheduled to begin in May 2008. The scope of the construction project dictates the entire building be completely vacated. Through an analysis of the space, a need to relocate the IT Department to Marsac and a desire to realign space within the building, Staff determined the City needs all available square footage in the Marsac building upon completion of the seismic upgrade. Subsequently, the City would be unable to renew the lease with KPCW for their current space.

On April 19, 2007, the City Council provided direction to negotiate with KPCW to purchase a unit in the Shell Space. On August 9, 2007 Council approved a construction contract for the shell space, and further identified KPCW as a potential tenant. To that end, Staff proceeded with negotiations for KPCW to purchase Unit B of the Shell Building located at 460 Swede Alley. Completion of the Shell Space construction coincides with the timing of the Marsac seismic upgrade and requires KPCW to move only once.

The Planning Commission approved a Conditional Use Permit on April 25, 2007. At the time of the April review the building still consisted of three units. Since that approval, the City returned to the Planning Commission to clarify the reduction of units and whether a new review was required for the new configuration. In August the Planning Commission determined that no new review was needed and that the Findings of Fact, Conclusions of Law and Conditions of Approval from the April 25, 2007 were still applicable.

The City Council reviewed a draft construction agreement during the November 1, 2007 work session. Since that review, the Legal Department assessed the condominium plat configuration and recommend a two unit condominium plat consisting of the first floor as Unit A and the second floor as Unit B. The proportionate share of HOA fees was increased to 49%. Notice of the City's intent to dispose of the property was posted in the Park Record on October 25, 2007.

Analysis:
Staff negotiated a sale price of $594,685 for Unit B, which is approximately 2000 square feet. In addition, KPCW would pay for their proportionate share of the architecture consultant fees which amounts to $59,391 and the tenant improvements for the space which is estimated to be $270,600. Should the amount of the tenant improvements increase or decrease upon final notice to proceed with the construction, KPCW will be responsible for the final amount identified by the contractor. KPCW is also responsible for any additional fees for any additional change order made at their request. Other restrictions in the purchase agreement include the property have a deed restriction limiting use of Unit B to a Quasi-Public Use or Non-Profit Use otherwise approved by the City. The second restriction retains a first right of refusal to the City at a price that does not exceed appreciation per year based upon the Consumer Price Index for the Western Region as calculated per year of KPCW's ownership of Unit B.

The Legal Department recommends moving forward with an agreement outlining the terms of the sale including escrow amounts and timing of the payment for the tenant improvements. The agreement specifies that once the condominium plat is recorded KPCW would then sign a Real Estate Purchase Contract (REPC) for the purchase of the space. Recordation of the condominium plat is anticipated the end of January.

Significant Impacts
KPCW would be paying the proportionate construction costs to building Unit B along with the entire amount to complete tenant improvements. See table below. Priority disposition of city property to non-profits and other governmental agencies is consistent with the City's budget policies. City financial transactions are generally subject to the "prudent man rule," which requires evaluation of the proposed transaction using that degree of judgment and care prevailing at the time the decision is made and that persons of prudence, discretion and intelligence exercise in the management of their own affairs, and further considers fair value, safety of any city capital, the probable benefits, and any other city investment objectives. Staff finds that the proposed transaction satisfies this standard.

	Total Costs	KPCW's Proportionate Share
Construction Costs	$1,321,523	$594,685
Architect Fees	$131,979	$59,391
Total Construction Costs	$1,453,502	$654,076
KPCW Tenant Improvements	-	$270,600
Total KPCW Cost	-	$924,676

Department Review:
The report has been reviewed by Executive and Legal Departments.

<u>RECOMMENDATION</u>:
Conduct a public hearing, review the draft agreements and authorize the City Manager to sign a construction agreement and subsequently an agreement for KPCW to purchase Unit B of the Shell Building, for a total amount of $924,676.

CONSTRUCTION AGREEMENT AND AGREEMENT TO PURCHASE UNIT B OF THE SHELL SPACE CONDOMINIUMS

THIS AGREEMENT IS MADE AND ENTERED into this _____ day of _______, 2007, by and between Park City Municipal Corporation, a Utah municipal corporation ("City") and Community Wireless of Park City, Inc., a Utah non-profit corporation ("PCCW").

RECITALS

This Agreement is made and entered into with reference to the following facts:

A. The City is the owner of a parcels of real property located at 460 Swede Alley, Park City, Utah. (Exhibit 1). This parcel of property, referred to herein as the "China Bridge Parcel", is more specifically described on Exhibit 1 to this Agreement and by this reference made a part hereof.

B. The City, pursuant to a planned downtown capital project for Swede Alley, intends to build a mixed–use commercial building to be located on a portion of the China Bridge Parcel on the north end of the new China Bridge parking structure ("Shell Space").

C. Subject to local land use authority approval, the City will record a condominium plat for the China Bridge Parcel once footings are poured for the Shell Space. The condominium plat will delineate Unit A and Unit B and the City expects to record the condominium plat for the China Bridge Parcel before the end of January 2008.

D. PCCW is currently leasing space in the City owned Marsac Building. It is necessary for the City to commence a seismic upgrade to the Marsac Building. Construction on the Marsac Building is scheduled to begin in Spring of 2008. To accommodate the seismic upgrade, the building must be completely vacated during the construction, during which any existing tenant leases will be terminated. The construction is scheduled to last approximately 15 months. There will be no available space for PCCW in the Marsac Building after the upgrade is complete.

E. PCCW is a local, community radio station specifically catering to the community of Park City. The City finds PCCW to be a valuable asset to the community, and wishes to ensure its long-term presence in the Main Street core of Park City.

NOW, THEREFORE, based upon the mutual consideration herein, the sufficiency of which both parties hereby acknowledge, the parties agree as follows:

1. **Construction**. The City will build a two (2) unit mixed–use commercial condominium located on the China Bridge Parcel on the north end of the new China Bridge parking structure substantially as depicted in the attached Site Plan (Exhibit 2).   The condominium will consist of two (2) new units of approximately 3,690 gross square feet (including circulation, stairwell, and utility areas, configured in the following approximate sizes:

   Unit A- 1690 square feet

   Unit B – 2000 square feet

2. **Deposit and Purchase Price.** PCCW agrees to purchase Unit B at a fixed purchase price of $594,685 and to submit a deposit to the City to be held in escrow pending execution of a real estate purchase contract. The amounts shall be payable as follows:

   2.1. PCCW has previously, or will upon execution of this Agreement, deposit $100,000 with the City to be held in escrow until the real estate purchase contract for Unit B (“Unit B REPC”) is executed, at which time the $100,000 reservation deposit shall be applied towards PCCW’s earnest money deposit. Upon execution of the Unit B REPC, PCCW shall provide the City with an earnest money deposit in the amount of $118,937, that amount to include the $100,000 reservation deposit. The earnest money shall be held pursuant to the terms of the Unit B REPC. $475,748 in additional funds will be due upon closing pursuant to the terms of the Unit B REPC.

2.2. This purchase price includes the following: Unit B and an indivisible interest and all rights and responsibilities in the proportional common area as defined herein and in the Conditions, Covenants and Restrictions of the Swede Alley Condominiums.

2.3. This purchase price does not include the following additional costs:

2.3.1. PCCW will pay forty-five percent (45%) of architecture consultant fees, including: Phase I - Schematic Design; Phase II – Creation of Design Development and Construction Documents; and Phase III – Construction Administration of the Shell Space. This architecture consultant fee includes consideration of potential modification to current design to increase visibility of broadcast studios from Swede Alley. The City estimates PCCW's 45% share of the architecture consultant fees amounts to $59,391. The City shall promptly inform PCCW thereafter of any change to that estimate. The architecture consultant fee is due upon signing this Agreement.

2.3.2. All fees associated with PCCW's Engineer shall be PCCW's sole responsibility.

2.3.3. Construction of Specific Tenant Improvements requested by PCCW to Unit B. PCCW agrees to sole responsibility for additional construction costs for modifications to Unit B beyond the February 25, 2007 design (Exhibit 2), including but not limited to: general conditions, technical, mechanical and electrical upgrades, and building finishes. This cost is currently estimated at approximately

$270,600 and shall be due upon execution of this Agreement. Should this amount increase or decrease upon final notice to proceed with the construction, PCCW will be responsible for the final amount identified by the contractor.

2.3.4. PCCW agrees to pay 49% of HOA fees for its tenant space and common area.

2.3.5. PCCW agrees to pay for all of its relocation costs.

2.3.6. If the REPC is not executed or closing on the REPC does not occur, the above additional costs incurred shall be paid by PCCW and the City may retain the reservation deposit or the earnest money deposit in to pay the balance of any such costs.

3. **Real Estate Purchase Contract.** The parties agree that the Unit B REPC will be executed within thirty (30) calendar days of the Shell Space Condominium Plat being recorded. A sample Real Estate Purchase Contract is attached as Exhibit 3. It is the intent of the Parties that this Agreement bind PCCW to purchase Unit B under the conditions stated herein from the City, and for the City to sell Unit B to PCCW. It is also the intent of the Parties that the terms of this Agreement shall remain in force independent of the REPC unless and until the Unit B REPC is signed..

4. **Other Conditions.**

4.1. PCCW agrees to provide residents and guests of Park City with public safety information, public service announcements and emergency information at minimum levels as established by PCCW's current Special Service Contract with the City.

4.2. City agrees to allow PCCW intellectual naming rights of Unit B– i.e. "Eccles KPCW Studios on Swede Alley" during on-air broadcasts or other correspondence; however, PCCW shall not have naming rights to the actual physical building.

4.3. The City agrees to make an easement available, at no additional cost, for land on the adjacent hillside and on China Bridge Parking Garage for PCCW to locate their satellite dish and telecommunications equipment provided the City approves the location. Such approval shall not be reasonably withheld.. PCCW is responsible for obtaining all permits and is responsible for all costs associated with the placement of said equipment including the pad, landscaping, screening, any other associated necessary mechanical infrastructure.

4.4. The City currently has a contract with Jacobsen Construction Company to build the Shell Space in accordance with state and local contract policies and procurement procedures. PCCW agrees to allow Jacobsen to complete their portion of the Shell Space and necessary plan amendments shall be processed as Change Orders as approved by the City.

4.5. The City will provide Capital and Construction Project Management. It will be the project manager’s responsibility to ensure project completion on time and on budget. The project is tentatively scheduled to begin in August 2007 and be complete in May 2008. Provided PCCW is not forced to vacate the Marsac Building prior to occupancy of Unit B, no liquidated or other damages shall be due to PCCW if the project is delayed, and the City agrees that PCCW shall be required to vacate the Marsac Building four weeks after the Shell Space has reached substantial completion which is anticipated in the Spring of 2008.

4.6. PCCW will be subject to the Conditions, Covenants and Restrictions of the Swede Alley

Condominiums ("CCRs"), and those CCRs shall be made available to PCCW for review prior to execution of the Real Estate Purchase Contract for Unit B.

5. **Subsequent Sale or Use of Unit**

5.1. PCCW agrees to execute and record at Closing the following instruments in a form approved by the City Attorney to restrict subsequent sale or use of the Unit B:

5.1.1. A deed restriction limiting use of Unit B to a Quasi-Public Use or Non-Profit Use otherwise approved by the City.

5.1.2. First right of refusal to the City at a price that does not exceed appreciation per year based upon the Consumer Price Index for the Western Region as calculated per year of PCCW's ownership of Unit B.

6. **CUP Approval and Permits.** A Conditional Use Permit (CUP) is required for the Radio Station Use. The City secured this permit on April 26, 2007. PCCW is responsible to any changes to the permit including pursuing applications for modification to the terms. See Exhibit C for the Conditions.

7. **Approval by City Council.** This Agreement is subject to approval by City Council following a public hearing. If this Agreement is not approved, this Agreement and the prior Letter of Intent dated February 2, 2007 shall be void.

8. **Assignment**. This Agreement is not assignable without the consent of the City.

9. **Miscellaneous Provisions.**

9.1. **Interference with City Telecommunication Systems**. The City has extensive computer, radio and telecommunication systems in the Marsac Building, 445 Marsac Avenue. This electronic equipment may be sensitive to the electronic equipment installed by PCCW. PCCW agrees that it will so install its equipment that there is no interference with the City equipment. In the event interference occurs, PCCW will as quickly as is feasible discontinue use of its equipment until the cause of the interference can be determined and a solution found. If the City adds new equipment or changes its existing equipment, and interference occurs after the change, it is PCCW's responsibility to eliminate interference on these future installations.

9.2. **Captions**. The headings and captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Agreement nor of any provision herein contained.

9.3. **Time of Essence**. Time is of the essence of this Agreement.

9.4. **Entire Agreement.** This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and may only be amended in writing, signed by both Parties.

9.5. **Governing Law.** This Agreement will be governed by the laws of the State of Utah without reference to its choice of law provisions.

9.6. **Attorney Fees.** If a lawsuit is instituted by either of the parties with respect to this Agreement, the prevailing party will be entitled to recover from the other its reasonable attorney fees and all costs of litigation.

9.7. **Exhibits.** All exhibits hereto are expressly made a part hereof by this reference.

9.8. **Further Assurances.** In the event that additional documentation, consents or other action is required to carry into effect the intent of this Agreement, the parties agree that they will cooperate and provide any such further documentation or assurances as may reasonably be required.

9.9. **Termination.** The Parties may terminate this Agreement only upon the consent of both Parties, in writing.

9.10. **Notices**. Any notice or designation to be given hereunder shall be given by placing the notice or designation in the United States mail, certified or registered, properly stamped and addressed to the address shown below or such other address as the respective party may direct in writing to the other, or by personal delivery to such address by a party, or by a delivery service which documents delivery, and such notice or designation shall be deemed to be received upon such placing in the mails or upon such delivery:

To City: Park City Municipal Corporation
445 Marsac Avenue
P. O. Box 1480
Park City, Utah 84060-1480
Attn: City Attorney

To PCCW: Community Wireless of Park City, Inc.
P. O. Box 1372
Park City, Utah 84060
Attn: Board President

DATED AND ENTERED INTO as of the day and year first above written.

PARK CITY MUNICIPAL CORPORATION

By: ______________________________

Tom Bakaly

Its: City Manager

Attest:

____
Janet M. Scott, City Recorder

Approved as to form:

____
Mark D. Harrington, City Attorney

COMMUNITY WIRELESS OF PARK CITY, INC.

By: ____
Russ Getner

Its: President

ACKNOWLEDGMENT

STATE OF UTAH)
: ss.
COUNTY OF SUMMIT)

On this ______ day of November 2007, personally appeared before me Russ Getner, who being duly sworn, did say that he is the President of Community Wireless of Park City, Inc., and acknowledged to me that the preceding Agreement was signed on behalf of said corporation, and he acknowledged that the company did execute the same for its stated purpose.

____
Notary Public

Exhibit 1 – Legal Description of China Bridge Parcel

Exhibit 2 – Plans for Shell Space Condominiums

Exhibit 3 – Sample REPC

Exhibit 4 – Conditional Use Permit Approval

EXHIBIT 1
Legal Description of China Bridge Parcel

A parcel located in the southeast quarter of Section 16, Township 2 South, Range 4 East, Salt Lake Base & Meridian, Summit County, also located in the Amended Plat of Park City, on file and of record in the office of the Summit County Recorder, more particularly described as follows;

Beginning at a point which is North 89°58’40” West along the center section line, a distance of 715.93 feet, and South 00°00’00” East a distance of 703.97 feet from the East quarter corner of said Section 16 (a found iron pipe and brass cap), said point also being on the Southeasterly corner of the Plat Amendment and Subdivision for the Marsac Transit Center Replat, on file and of record in the Office of the Summit County Recorder, said point also being on the westerly right-of-way of Marsac Avenue, as shown on the said Amended Plat of Park City, said point being the true POINT OF BEGINNING; thence along said westerly right-of-way of Marsac Avenue, South 23°38'00" East, a distance of 724.57 feet; thence leaving said right-of-way South 66°28'46" West, a distance of 216.89 feet; thence North 21°29'15" West, a distance of 11.25 feet; thence North 23°31'08" West, a distance of 257.44 feet; thence North 23°18'23" West, a distance of 72.88 feet; thence North 23°25'34" West, a distance of 382.99 feet; thence North 66°34'00" East, a distance of 14.19 feet to the southwesterly corner of the said Marsac Transit Center Replat; thence along said Marsac Transit Center Replat southerly boundary North 66°34'00" East, a distance of 101.95 feet; thence continuing along said Marsac Transit Center Replat boundary North 66°22'00" East, a distance of 98.00 feet to the POINT OF BEGINNING. Containing 156,088 square feet or 3.583 acres, more or less.

EXHIBIT 2
Plans for the Shell Space Condominiums

EXHIBIT 3
Sample REPC

REAL ESTATE PURCHASE CONTRACT

This is a legally binding contract. Utah law regulates real estate licensees to use this form. Buyer and Seller, however, may agree to alter or delete the provisions or to use a different form. If you desire legal or tax advice, consult your attorney or tax advisor.

BUYER: ____

SELLER: **PARK CITY MUNICIPAL CORPORATION**, a municipal corporation and political subdivision of the State of Utah (the "City" or "Seller"), 445 Marsac Avenue, Post Office Box 1480, Park City, Utah 84060.

OFFER TO PURCHASE

1. **PROPERTY**: The subject property is located in the County of Summit, State of Utah, and described more specifically as follows:

(*Insert legal description*)

1.1 **Included Items**. Unless excluded herein , this sale includes the following items if presently attached to the Property: plumbing, heating, air conditioning fixtures and equipment; ceiling fans; water heater; built-in appliances; light fixtures and bulbs; bedroom fixtures; curtains, draperies and rods; window and door screens; storm doors and windows; window blinds; awnings; installed television antenna; satellite dishes and system; permanently affixed carpets; automatic garage door opener and accompanying transmitter(s); fencing; and trees and shrubs. The following items shall also be included in this sale and conveyed under separate Bill of Sale with warranties as to title:

1.2 **Excluded Items**. The following items are excluded from this sale:

1.3 **Water Rights**. The following water rights are included in this sale:

1.4 **Survey**. (Check applicable boxes):
A survey:
□ WILL
□ WILL NOT be prepared by a licensed surveyor.

The Survey Work will be:
□Property corners staked
□Boundary Survey
□Boundary & Improvements survey

□Other (specify) ________________.

Responsibility for payment:
□ Buyer
□Seller
□Buyer and Seller share equally.

Buyer's obligation to purchase under this Contract:
□IS
□IS NOT conditioned upon Buyer's approval of the Survey Work.
If yes, the terms of the attached Survey Addendum apply.

2. PURCHASE PRICE. The Purchase Price for the Property is $____________________.

2.1 Method of Payment. The Purchase Price will be paid as follows:

$_______________	a. Earnest Money Deposit. Under certain conditions described in this Contract. **THIS DEPOSIT MAY BECOME TOTALLY NON-REFUNDABLE**.
$_______________	b. New Loan, Buyer agrees to apply for a new loan as provided in Section 2.3. Buyer will apply for one or more of the following loans: **□CONVENTIONAL □FHA □VA □OTHER** (specify): ________________________________ If an FHA/VA loan applies, see attached FHA/VA Loan Addendum. If the loan is to include any particular terms, then check below and give details: **SPECIFIC LOAN TERMS**:
$_______________	c. Loan Assumption (see attached Assumption Addendum if applicable)
$_______________	d. Seller Financing (see attached Seller Financing Addendum if applicable)
$_______________	e. Other (specify)________________________________
$_______________	f. Balance of Purchase Price In Cash at Settlement
$_______________	**PURCHASE PRICE (total of a. through f.)**

2.2 Financing Condition. (check applicable box)
a. Buyer's obligation to purchase the Property IS conditioned upon Buyer qualifying for the applicable loan(s) referenced in Section 2.1 (b) or (c) "the "Loan(s)). This condition is referred to as the Financing Condition".
b. Buyer's obligation to purchase the Property IS NOT conditioned upon Buyer qualifying for a loan. Section 2.3 does not apply.

2.3 Application for Loan.
a. **Buyer's Duties**. No later than the Application Deadline referenced in Section 24(a),

Buyer shall apply for the Loan. Loan Application occurs only when Buyer has:

(i) completed, signed, and delivered to the lender (the "Lender") the initial loan application and documentation required by the Lender; and

(ii) paid all loan application fees as required by the Lender. Buyer agrees to diligently work to obtain the Loan. Buyer will promptly provide the Lender with any additional documentation as required by the Lender.

b. **Procedure If Loan Application Is Denied**. If Buyer receives written notice from the Lender that the Lender does not approve the Loan (a "Loan Denial"), Buyer shall, no later than three calendar days thereafter, provide a copy to Seller. Buyer or Seller may, within three (3) calendar days after Seller's receipt of such notice cancel this Contract by providing written notice to the other party.

In the event of a cancellation under this Section 2.3(b):

(i) If the Loan Denial was received by Buyer on or before the _______ day of __________________, 200__, the Earnest Money Deposit shall be returned to Buyer;

(ii) If the Loan Denial was received by Buyer after that date, Buyer agrees to forfeit, and Seller agrees to accept as Seller's exclusive remedy, the Earnest Money as liquidated damages. A failure to cancel as provided in this Section 2.3(b) shall have no effect on the Financing Condition set forth in Section 2.2(a). Cancellation pursuant to the provisions of any other section of this Contract shall be governed by such other provisions.

2.4 Appraisal of Property. Buyer's obligation to purchase the Property □ **IS** □ **IS NOT** conditioned upon the Property appraising for not less than the Purchase Price. If the appraisal condition applies and the Property appraises for less than the Purchase Price, Buyer may cancel this Contract by providing written notice to Seller no later than three (3) calendar days after Buyers receipt of notice of the appraised value. In the event of such cancellation, the Earnest Money Deposit shall be released to Buyer. A failure to cancel as provided in this Section 2.4 shall be deemed a waiver of the appraisal condition by Buyer.

3. SETTLEMENT AND CLOSING. Settlement shall take place on the Settlement Deadline referenced in Section 24(d), or on a date upon which Buyer and Seller agree in writing. "Settlement" shall occur only when all of the following have been completed:

a. Buyer and Seller have signed and delivered to each other or to the escrow closing office all documents required by this Contract, by the Lender, by written escrow Instructions or by applicable law;

b. any monies required to be paid by Buyer under these documents, except for the proceeds of any new loan, have been delivered by Buyer to Seller or to the escrow closing office in the form of collected or cleared funds; and

c. any monies required to be paid by Seller under these documents have been delivered by Seller to Buyer or to the escrow/closing office in the form of collected or cleared funds. Seller and Buyer shall each pay one-half (2) of the fee charged by the escrow/closing office for its services in the settlement/closing process. Taxes and assessments for the current year, rent, and interest on assumed obligations shall be prorated at settlement as set forth in this

Section. Tenant deposits, including, but not limited to, security deposits, cleaning deposits, and prepaid rents, shall be paid or credited by Seller to Buyer at Settlement. Prorations set forth in this Section shall be made as of the Settlement Deadline date referenced in Section 24(d), unless otherwise agreed to in writing by the parties. Such writing could include the settlement statement. The transaction will be considered closed when Settlement has been completed, and when all of the following have been completed:

(i) the proceeds of any new loan have been delivered by the Lender to Seller or to the escrow/closing office; and

(ii) the applicable Closing documents have been recorded in the office of the county recorder.

The actions described in parts (i) and (ii) of the preceding sentence shall be completed within four (4) calendar days of Settlement.

4. **POSSESSION**. Seller shall deliver physical possession to Buyer within: hours ____________ days after Closing; Other (specify).

5. **CONFIRMATION OF AGENCY DISCLOSURE**. At the signing of this Contract:

Seller's Initials Buyer's Initials

a. The Listing Agent, _________________________, represents Seller Buyer both Buyer and Seller as a Limited Agent; or

b. The Selling Agent, _________________________, represents Seller Buyer both Buyer and Seller as a Limited Agent; or

c. The Listing Broker, _________________________, represents Seller Buyer both Buyer and Seller as a Limited Agent; or

d. The Selling Broker, _________________________, represents Seller Buyer both Buyer and Seller as a Limited Agent.

6. **TITLE INSURANCE**. At Settlement, Seller agrees to pay for a standard-coverage owner=s policy of title insurance insuring Buyer in the amount of the Purchase Price.

7. **SELLER DISCLOSURES**. No later than the Seller Disclosure Deadline referenced in Section 24(b), Seller shall provide to Buyer the following documents which are collectively referred to as the "Seller Disclosures":

a. a Seller property condition disclosure for the Property, signed and dated by Seller;

b. a commitment for the policy of title insurance;

c. a copy of any leases affecting the Property not expiring prior to Closing;

d. written notice of any claims and/or conditions known to Seller relating to environmental problems and building or zoning code violations; and

e. Other (specify)

8. **BUYER'S RIGHT TO CANCEL BASED ON EVALUATIONS AND INSPECTIONS**. Buyer's obligation to purchase under this Contract (check applicable boxes):

IS **IS NOT** conditioned upon Buyer's approval of the content of all the Seller Disclosures referenced in Section 7;

IS **IS NOT** conditioned upon Buyer's approval of a physical condition inspection of the Property;

IS **IS NOT** conditioned upon Buyer's approval of the following tests and evaluations of the Property (specify):

If any of the above items are checked in the affirmative, then Sections 8.1, 8.2, 8.3, and 8.4 apply; otherwise, they do not apply. The items checked in the affirmative above are collectively referred to as the "Evaluations & Inspections." Unless otherwise provided in this Contract, the Evaluations & Inspections shall be paid for by Buyer and shall be conducted by individuals or entities of Buyer's choice. Seller agrees to cooperate with the Evaluations and Inspections and with the walk-through Inspection under Section 11.

8.1 **Evaluations & Inspections Deadline**. No later than the Evaluations & Inspections Deadline referenced in Section 24(c) Buyer shall: (a) complete all Evaluations & Inspections; and (b) determine if the Evaluations & Inspections are acceptable to Buyer.

8.2 **Right to Cancel or Object**. If Buyer determines that the Evaluations and Inspections are unacceptable, Buyer may no later than the Evaluations & Inspection Deadline, either:

a. cancel this Contract by providing written notice to Seller, whereupon the Earnest Money Deposit shall be released to Buyer; or

b. provide Seller with written notice of objections.

8.3 **Failure to Respond**. If by the expiration of the Evaluations & Inspections Deadline, Buyer does not:

a. cancel this Contract as provide in Section 8.2; or

b. deliver a written objection to Seller regarding the Evaluations & Inspections, the Evaluations & Inspections shall be deemed approved by Buyer.

8.4 **Response by Seller**. If Buyer provides written objections to Seller, Buyer and Seller shall have seven (7) calendar days after Seller's receipt of Buyer's objections (the "Response Period") in which to agree in writing upon the manner of resolving Buyer's objections. Seller may, but shall not be required to, resolve Buyer's objections. If Buyer and Seller have not agreed in writing upon the manner of resolving Buyer's objections, Buyer may cancel this Contract by providing written notice to Seller no later than three (3) calendar days after expiration of the Response Period, whereupon the Earnest Money Deposit shall be released to Buyer, if this Contract is not canceled by Buyer under this Section 8.4. Buyer's objections shall be deemed waived by Buyer. This waiver shall not affect those items warranted in Section 10.

9. **ADDITIONAL TERMS**. There **ARE** **ARE NOT** addenda to this Contract containing additional terms. If there are, the terms of the following addenda are incorporated into this Contract by this reference:

Addendum No. _______
Survey Addendum
Seller Financing Addendum
FHA/VA Loan Addendum
Assumption Addendum
Lead-Based Paint Addendum (in some transactions this addendum is required by law)
Other (specify):

10. SELLER WARRANTIES & REPRESENTATIONS.

10.1 Condition of Title. Seller represents that Seller has fee title to the Property and will convey good and marketable title to Buyer as Closing by general warranty deed, unless the sale is being made pursuant to a real estate contract which provides for title to pass at a later date. In that case, title will be conveyed in accordance with the provisions of that contract. Buyer agrees, however, to accept title to the Property subject to the following matters of record: easements, deed restrictions, CC&R's, meaning covenants, conditions and restrictions, and rights-of-way; and subject to the contents of the Commitment for Title Insurance as agreed to by Buyer under Section 8. Buyer also agrees to take the Property subject to existing leases affecting the Property and not expiring prior to Closing. Buyer agrees to be responsible for taxes, assessments, homeowners association dues, utilities, and other services provided to the Property after Closing. Except for any loan(s) specifically assumed by Buyer under Section 2.1(c), Seller will cause to be paid off by closing all mortgages, trust deeds, judgments, mechanic's liens, tax liens and warrants. Seller will cause to be paid current by Closing all assessments and homeowners association dues.

10.2 Condition of Property. Seller warrants that the Property will be in the following condition **ON THE DATE SELLER DELIVERS PHYSICAL POSSESSION TO BUYER**:
a. the Property shall be broom-clean and free of debris and personal belongings. Any Seller or tenant moving-related damage to the Property shall be repaired at Seller's expense;
b. the heating, cooling, electrical, plumbing and sprinkler systems and fixtures, and the appliances and fireplaces will be in working order and fit for their intended purposes;
c. the roof and foundation shall be free of leaks known to Seller;
d. any private well or septic tank serving the Property shall have applicable permits, and
shall be in working order and fit for its intended purpose; and
e. the Property and improvements, including the landscaping, will be in the same general condition as they were on the date of Acceptance.

11. WALK-THROUGH INSPECTION. Before Settlement, Buyer may, upon reasonable notice and at a reasonable time, conduct a "walk-through" inspection of the Property to determine only that the Property is "as represented," meaning that the terms referenced in Sections 1.1, 8.4 and 10.2 ("the items") are respectively present, repaired/changed as agreed, and in the warranted condition. If the items are not as represented, Seller will, prior to Settlement, replace, correct or repair the items or, with the consent of Buyer (and Lender if applicable), escrow an amount at Settlement to provide for the same. The failure to conduct a walk-through inspection, or to claim that an item is not as represented, shall not constitute a waiver by Buyer of the right to receive, on the date of possession, the items as represented.

12. **CHANGES DURING TRANSACTION**. Seller agrees that from the date of Acceptance until the date of Closing, none of the following shall occur without the prior written consent of Buyer:

(a) no changes in an existing lease shall be made;

(b) no new leases shall be entered into;

(c) no substantial alterations or improvements to the Property shall be made or undertaken; and

(d) no further financial encumbrances to the Property shall be made.

13. **AUTHORITY OF SIGNERS**. If Buyer or Seller is a corporation, partnership, trust, estate, limited liability company, or other entity, the person executing this Contract on its behalf warrants his or her authority to do so and to bind Buyer and Seller.

14. **COMPLETE CONTRACT**. This Contract together with its addenda, any attached exhibits, and Seller Disclosures, constitutes the entire Contract between the parties and supersedes and replaces any and all prior negotiations, representations, warranties, understandings or contracts between the parties.

15. **DISPUTE RESOLUTION**. The parties agree that any dispute, arising prior to or after Closing, related to this Contract shall may, upon mutual agreement of the parties, first be submitted to mediation. If the parties agree to mediation, the dispute shall be submitted to mediation through a mediation provider mutually agreed upon by the parties. Each party agrees to bear its own costs of mediation. If mediation fails, the other procedures and remedies available under this Contract shall apply. Nothing in this Section 15 shall prohibit any party from seeking emergency equitable relief pending mediation.

16. **DEFAULT**. If Buyer defaults, Seller may elect either to retain the Ernest Money Deposit as liquidated damages, or to return it and sue Buyer to specifically enforce this Contract or pursue other remedies available at law. If Seller defaults, in addition to return of the Ernest Money Deposit, Buyer may elect either to accept from Seller a sum equal to the Ernest Money Deposit as liquidated damages, or may sue Seller to specifically enforce this Contract or pursue other remedies available at law. If Buyer elects to accept liquidated damages, Seller agrees to pay the liquidated damages to Buyer upon demand. It is agreed that denial of a Loan Application made by the Buyer is not a default and is governed by Section 2.3(b).

17. **ATTORNEY FEES AND COSTS**. In the vent of litigation or binding arbitration to enforce this Contract, the prevailing party shall be entitled to costs and reasonable attorney fees. However, attorney fees shall not be rewarded for participation in mediation under Section 15.

18. **NOTICES**. Except as provided in Section 23, all notices required under this Contract must be:

a. in writing;

b. signed by the party giving notice; and

c. received by the other party or the other party's agent no later than the applicable date referenced in this Contract.

19. **ABROGATION**. Except of the provisions of Sections 10.1, 10.2, 15 and 17 and express warranties made in this Contract, the provisions of this Contract shall not apply after Closing.

20. **RISK OF LOSS**. All risk of loss to the Property, including physical damage or destruction to the Property or its improvements due to any cause except ordinary wear and tear and loss caused by a taking in eminent domain, shall be borne by Seller until the transaction is closed.

21. **TIME IS OF THE ESSENCE**. Time is of the essence regarding the dates set forth in this Contract. Extensions must be agreed to in writing by all parties. Unless otherwise explicitly stated in this Contract:

a. performance under each Section of this Contract which references a date shall absolutely re required by 5:00 P.M. Mountain Time on the stated date; and

b. the term "days" shall mean calendar days and shall be counted beginning on the day following the event which triggers the timing requirement, i.e., Acceptance, receipt of the Seller Disclosures, etc. Performance dates and times reference herein shall not be binding upon title companies, lenders, appraisers and others not parties to this Contract, except as so otherwise agreed to in writing by such non-party.

22. **FAX TRANSMISSION AND COUNTERPARTS**. Facsimile (fax) transmission of a signed copy of this Contract, any addenda and counteroffers, and the retransmission of any signed fax shall be the same as delivery of an original. This contract and any addenda and counteroffers may be executed in counterparts.

23. **ACCEPTANCE**. "Acceptance" occurs when Seller or Buyer, responding to an offer or counteroffer of the other:

a. signs the offer or counteroffer where noted to indicated acceptance; and

b. communicates to the other party or to the other party's agent that the offer or counteroffer has been signed as required.

24. **CONTRACT DEADLINES**. Buyer and Seller agree that the following deadlines shall apply to this Contract:

a. Application Deadline ____________________ (Date)

b. Seller Disclosure Deadline ____________________ (Date)

c. Evaluations & Inspections Deadline ____________________ (Date)

d. Settlement Deadline ____________________ (Date)

25. OFFER AND TIME FOR ACCEPTANCE. Buyer offers to purchase the Property on the above terms and conditions. If Seller does not accept this offer by:
__________ A.M. P.M. Mountain Time on ________________________ (Date) this offer shall lapse, and the Brokerage shall return the Ernest Money Deposit to Buyer.

BUYER'S SIGNATURE ____________________________ Date _____________ Time______

____

(Buyers Names) - Please Print (Notice Address) (Phone)

THE LATER OF THE ABOVE OFFER DATES SHALL BE REFERRED TO AS THE "OFFER REFERENCE DATE."

ACCEPTANCE / COUNTEROFFER / REJECTION

CHECK ONE:

ACCEPTANCE OF OFFER TO PURCHASE: Seller Accepts the foregoing offer on terms and conditions specified above.

COUNTEROFFER: Seller presents for Buyer's Acceptance the terms of Buyer's offer subject to the exceptions or modifications as specified in the attached **Addendum No.___**.

SELLER'S SIGNATURE _________________________ Date _____________ Time ________

____

(Sellers' Names) - Please Print (Notice Address) (Phone)

REJECTION: Seller Rejects the foregoing offer.

SELLER'S SIGNATURE _________________________ Date _____________ Time ________

____

(Sellers' Names) - Please Print (Notice Address) (Phone)

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

Document Receipt

State law requires Broker to furnish Buyer and Seller copies of this Contract bearing all signatures. (***Fill in applicable section below.***)

A. **I acknowledge receipt** of a final copy of the foregoing Contract bearing all signatures:

BUYER'S SIGNATURE ____________________________ Date ______________ Time _________

SELLER'S SIGNATURE ___________________________ Date ______________ Time _________

B. **I personally** caused a final copy of the foregoing Contract bearing all signatures to be faxed mailed hand-delivered on ______________________ (Date), postage prepaid, to the Seller Buyer.

Sent/Delivered by (specify) ____

Exhibit 4
Conditional Use Permit Approval

On April 25, 2007, the Park City Planning Commission approved a Conditional Use Permit for a one and two story retail and public/quasi public use building adjacent to the new China Bridge parking structure. The Conditional Use Permit application is a request for a liquor store, a radio station and offices, and 950 square footage of retail and general commercial use based upon the following Findings of Fact, Conclusions of Law and Conditions of Approval.

Findings of Fact

1. During the spring 2003 City Budget review, City Council initiated a Downtown Task Force to review capital project needs in the downtown area.
2. These Downtown Task Force findings and recommendations were approved by the City Council during the November 20, 2003 City Council Meeting.
3. During the spring 2004 City Budget Review, funding was allocated for three major downtown capital improvements: a town plaza; an expansion of the China Bridge parking structure; and a seismic upgrade/remodel of the Marsac City Hall building.
4. The proposed shell space building was originally contemplated to be part of the new China Bridge parking structure construction. Design and processing of the shell space was postponed due to uncertainty regarding the use of the structure.
5. The proposed building is located on a portion of the 3.6 acre city-owned Parking Structure Subdivision approved by City Council on March 24, 2005. The applicant (the City) funded the additional 298 parking spaces, over what existed prior to construction of the new China Bridge parking structure. The parking garage was constructed as phase one of the downtown action plan and the proposed building is located on the same lot as the existing parking structure. The Shell space is a part of the Council approved Down Town Action Plan, which also approved the parking spaces in the parking garage. Council approved construction and funding of the Parking Structure.
6. The property is located within the Public Use Transitional (PUT) District.
7. The subject property is located directly north of new China Bridge parking structure on Swede Alley. This area currently functions as surface parking. This area was contemplated to be a retail space with approval of the Parking Structure CUP.
8. The proposed 4,535 square foot building has a footprint of approximately 2,800 sf. The Conditional Use permit requests 2,535 sf of retail uses and 2,000 sf of public/quasi public uses.
9. The maximum height of the building is 26’4”. The building consists of one and two story elements and is well articulated, meeting the LMC requirements for façade shifts and variation. The structure meets the height requirements of the PUT District.
10. The proposed structure meets all setback requirements of the PUT District. (Zero feet are required).
11. The building is proposed to be located adjacent to the north wall of the new China Bridge parking structure. A portion of the retail space has been identified for a Utah State Liquor Store. The public/quasi public space has been identified as a radio station/office space. A

specific use for the remaining 950 sf of general service commercial and retail space has not been determined.

12. Commercial retail and service uses, liquor stores, and public and quasi-public uses require a Conditional Use Permit in the PUT District.
13. The proposed structure has access to all necessary utilities.
14. The historic pedestrian connection from Marsac Avenue to Swede Alley will not be impacted by the building. Completion of the pedestrian staircase along the northern wall of the new parking structure is proposed as part of this CUP. A sidewalk will be constructed as part of this project on the west side of Swede Alley between 4th and 5th Streets.
15. The structure will be required to provide a fire suppression system to meet requirements of the International Building code.
16. The proposed uses require 14 spaces and the project will displace approximately 3 existing surface spaces. Parking for these uses was anticipated, during review of the Parking Structure CUP and Subdivision plat, to occur within the Parking Structure which shares the lot. Parking for the proposed use, is provided in the China Bridge Parking structure, located on the same lot as the proposed building.
17. There are parking overlaps due to 1) the location of the proposed uses in the downtown core business district, 2) convenient pedestrian connections exist between the businesses and between parking and businesses, 3) the existing free Main Street Trolley system which reduces the need to re-park, and 4) the hours of operation and different peak hours between the proposed uses and Main Street businesses.
18. The proposed building has both one and two story elements, is well articulated, reduces the visual impacts of the north wall of the parking structure, and provides architectural compatibility with surrounding structures in terms of physical design, mass, scale and style, and architectural detailing. The proposed building has elements of design that reflect both the larger parking garage structures to the south, the detailing of the transit center to the north, and the detailing of historic and contemporary retail spaces fronting (and backing) onto Swede Alley. The lower facades are proposed to be a board formed concrete, a style utilized with the new China Bridge Parking structure. A fiber cement siding material is proposed for the upper elevations (material samples and colors will be provided at the meeting for Commission review). Timber fascia, posts with a galvanized column base, and canopy elements are proposed. Galvanized staircases are consistent with the existing parking structure.
19. The roof over the one story element is proposed to be a pavers system to be used as a public plaza. The roof over the two story element is proposed to be a landscaped roof.
20. No minimum open space is required in the PUT District.
21. The general architectural intent is consistent with the Park City Architectural Design Guidelines.
22. The location of the proposed development is within the City's Soils District. Detailed geotechnical testing has revealed that several spots on the site have elevated levels of certain materials. Under the City's existing agreement with the EPA and Utah DEQ, a voluntary clean up program via an approved Soils Management Plan has been instituted. The Plan includes a section on excavated soils management as well as a storm water

control component, and shall be submitted as approved with the project's construction mitigation plan.

Conclusions of Law

1.The CUP, as conditioned, is consistent with the Park City Downtown Action Plan and the Park City Land Management Code.
2.The CUP, as conditioned, is consistent with the Park City General Plan.
3.The proposed use will be compatible with the surrounding structures in use, scale, mass, and circulation.
4.The effects of any differences in use or scale have been mitigated through careful planning.

Conditions of approval

1. All standard conditions of approval apply to this CUP.
2. All exterior lighting, including building, plaza, and landscape lighting, shall comply with all applicable Land Management Code requirements.
3. A detailed review against the Uniform Building and Fire Codes in use at the time of building permit submittal is a condition precedent to issuance of full building permit.
4. Final site plan and architectural elevations consistent with the LMC and the plans, elevations, cross sections, and details reviewed and approved by the Planning Commission at the April 25, 2007 meeting, shall be reviewed and approved by the City, as a condition precedent to issuance of a footing and foundation permit. The Planning Staff shall review all revisions. If such revisions are of a substantial nature, the plans will be presented to the Planning Commission for review.
5. The City Engineer shall review and approve all associated utility, public improvements, grading and drainage plans for compliance with the LMC and City standards as a condition precedent to issuance of full building permit. The final utility plans shall be consistent with preliminary utility plans on file with the City and shall be approved by the City Engineer and Park City Building Official and Fire Marshall. Any substantive changes to the existing plan will remand the project back to the Planning Commission for review.
6. Mechanical vents shall be shown on the building plans and shall be painted, hidden with architectural features, located and/or landscaped to mitigate negative impacts on the architectural intent of the buildings and such that noise, vibration, odors, steam, and impacts on the neighboring properties are minimized to the greatest degree possible, as indicated on the plans submitted with the CUP.
7. A final sign plan and individual sign permits are required prior to installing any signs on the site. Temporary construction signs will be allowed as part of the Construction Mitigation Plan.
8. A Construction Mitigation Plan is required as a condition precedent to issuance of any building permit. The plan shall be in substantial conformance with the plans reviewed by the Planning Commission on April 25, 2007.
9. The Soils Management Plan established for the new China Bridge structure will apply to this site.

10. If the radio station needs to relocate their satellite dish it shall be located to the east of the Marsac Building, on the hillside below the police parking spaces closest to the Marsac Building. If it is relocated, the dish shall be adequately screened prior to issuance of a final certificate of occupancy.
11. Timing and location of delivery of goods and services shall be coordinated to occur during off-peak traffic times, or otherwise coordinated with the City to prevent conflicts with pedestrian and vehicular traffic, such as during special events.
12. Additional parking or fees in lieu may be required, if the anticipated uses change to a more intensive use requiring a higher parking demand.

Park City Water Service District
Staff Report

Subject:	**Agreements between Park City, Weber Basin Water Conservancy District, and Bureau of Reclamation**
Author:	**Thomas A. Daley, Sr.**
Department:	**Legal**
Date:	**November 15, 2007**
Type of Item:	**Administrative**

Summary Recommendations:
The board of the Park City Water Service District (PCWSD) should authorize its chairman to execute 1) an Amendment to Water Supply Agreement by and among Weber Basin Water Service District, Park City Water Service District and Mountain Regional Water Special Service District; and 2) a Contract Between the United States of America, Weber Basin Water Conservancy District and Park City Water Service District.

Topic/Description:
Water Supply Agreements.

Background:
The PCWSD entered into a Water Supply Agreement with the Weber Basin Water Conservancy District (WBWCD) and Mountain Regional Water Special Service District (MRWSSD) on May 13, 2004. The purpose of this agreement was to implement the terms of the 1996 MOU between the three entities, which expired in November, 2003, but was extended by agreement to allow the entities to come to agreement on how to move forward. The May 13, 2004, agreement acknowledged the imminent studies to be done by WBWCD and the Bureau of Reclamation ("BOR") and further provided for the design, construction, financing, ownership, and operation of all of the facilities related to what was called the "Snyderville Basin Project." The Snyderville Basin Project was to be owned by BOR and operated by WBWCD. The May 13, 2004 agreement further provided for how the parties would pay reservation fees, participate in the necessary state and federal approvals, and exercise rights of first refusal in the event of a default. The May 13, 2004 agreement also set out how PCWSD and MRWSSD would petition BOR and contract with WBWCD for the delivery of water.

On March 1, 2007, the PCWSD approved:
1. An amendment to the May 13, 2004, agreement; and
2. A contract for the purchase of 1,250 acre feet of water from BOR; and
3. A contract for the purchase of 1,250 acre feet of water from WBWCD.

The amendment to the May 13, 2004, agreement was based on the findings and conclusions of the studies completed by WBWCD and BOR. The amendment defines the Snyderville Basin Project as being comprised of the intake structure on the Weber River, the pumps required to pump water from the intake to the MRWSSD pump station, and the necessary upgrades to the existing MRWSSD pump station. The amendment also provides that only WBWCD shall own and operate the Snyderville Basin Project; that contracts and not petitions will be used to secure water from BOR; and that the term of the contracts with both BOR and WBWCD would be forty years as opposed to perpetual. The motion to approve the amendment, petition and contract on March 1, 2007, is recorded in the minutes as follows: "I move that we authorize the District to enter in to the four contracts, amendments and /or agreement as listed under New Business." The agreement, contracts, and amendment were set out under "New Business" as follows:

1. Consideration of Contract between the United States of America, Weber Basin Water Conservancy District and Park City Water Service District for the sale of the use of untreated project water, in a form approved by the City Attorney.
2. Consideration of Contract between Weber Basin Water Conservancy District and Park City Water Service District for the sale of the use of untreated district water, in a form approved by the City Attorney.
3. Consideration of Agreement between Mountain Regional Water Special Service District, Park City Water Service District and Summit County regarding implementation of the Summit County Project, in a form approved by the City Attorney.
4. Consideration of an Amendment to the Water Supply Agreement by and among Weber Basin Water Conservancy District, Park City Water Service District – Snyderville Basin Water Project, in a form approved by the City Attorney.

Analysis:
In the months since the parties participating in the Snyderville Basin Project approved the amendment and the petition and the contract, WBWCD has been working with the State Engineer to determine the best way to prosecute the change applications required for moving water into the Snyderville Basin. If you recall, there is a distinction between WBWCD's "District Water," the rights to which WBWCD owns, and the "BOR Project Water," the rights to which WBWCD leases from BOR. While there is no change in the approach to filing a change application to move water from Smith-Morehouse Reservoir into the Basin, WBWCD will not be filing a change application to move water from Rockport Reservoir into the Basin. Thus, PCWSD can now execute just one contract with WBWCD for its full allotment of 2,500 acre feet of water. The single contract eliminates the distinction between types of water and sets the price of the water WBWCD will deliver through the Snyderville Basin Project at an average of the cost of the "District Water" and the "Project Water."

The parties now also need to amend the March 1, 2007 amendment to the May 13, 2007 agreement. The proposed changes to the March 1, 2007, amendment eliminate the distinction between "District Water" and "Project Water" in favor of language referring to the fact that water for the Snyderville Basin Project can come from one or both of those sources.

Department Review: Legal, Executive, Public Works.

Alternatives:

A. **Approve the Request:** This is the recommended action. Executing the amendment and contract will allow WBWCD to go out to bid on the Snyderville Basin Project.
B. **Deny the Request:** This is not recommended. Denying the request will end PCWSD's participation in the Snyderville Basin Project and will leave it to seek another source of water.
C. **Continue the Item:** This is also not recommended. Any further delays will negatively impact WBWCD's ability to commence construction in time to meet water demand.
D. **Do Nothing:** Depending on how long the board does nothing, its inaction would have the same effect as denying the request or continuing the item.

Significant Impacts:

Park City has participated in the Snyderville Basin Project since 1996 with the expectation of receiving its long-term water from the sources supporting the project. The execution of the amendment and the contract should be the final administrative steps necessary to implement the project.

Consequences of not taking the recommended action:

Park City would need to look elsewhere for a source of long-term water supply.

Recommendation:

The board of the Park City Water Service District (PCWSD) should authorize its chairman to execute 1) an Amendment to Water Supply Agreement by and among Weber Basin Water Service District, Park City Water Service District and Mountain Regional Water Special Service District; and 2) a Contract Between the United States of America, Weber Basin Water Conservancy District and Park City Water Service District.

AMENDMENT TO
WATER SUPPLY AGREEMENT
BY AND AMONG
WEBER BASIN WATER CONSERVANCY DISTRICT,
PARK CITY WATER SERVICE DISTRICT AND
MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

SNYDERVILLE BASIN WATER PROJECT

THIS AMENDMENT TO WATER SUPPLY AGREEMENT is made and entered into as of this ____ day of _________________, 2007, by and among the Weber Basin Water Conservancy District, a water conservancy district organized and existing pursuant to the provisions of '17A-2-1401 *et seq*., Utah Code Annotated, 1953, as amended (A**Weber Basin**@), Park City Water Service District, a special service district organized and existing pursuant to the provisions of '17A-2-1301 et seq., Utah Code Annotated, 1953, as amended (A**Park City Water**@), and Mountain Regional Water Special Service District, a special service district organized and existing pursuant to the provisions of '17A-2-1301 et seq., Utah Code Annotated, 1953, as amended (**"Mountain Regional"**). Weber Basin, Park City Water and Mountain Regional are hereinafter sometimes referred to individually as a A**Party**@ and collectively as the A**Parties**.@

RECITALS

A. The Parties executed a Water Supply Agreement dated May 13, 2004 (the "Agreement"), providing for their participation in certain studies to consider delivering water into the Snyderville Basin (the "Snyderville Basin Project").

B. Said studies have been completed and have concluded that such a project can be constructed.

C. In the Agreement, the Parties anticipated that the facilities comprising the Snyderville Basin Project would be designed, constructed and owned by the United States Bureau of Reclamation ("Reclamation") and operated, maintained, repaired and replaced by Weber Basin, and that the costs of study, development, design and construction of the Snyderville Basin Project would be borne by Reclamation but repaid pursuant to a long-term repayment contract.

D. The Parties now desire to amend the Agreement to define the scope of the Snyderville Basin Project, to provide that the Snyderville Basin Project (as so defined) will be designed, constructed and, except as otherwise provided specifically hereinbelow, owned, operated, maintained, repaired and replaced by Weber Basin, and in other respects, as hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby amend the Agreement as follows:

1. Paragraph I.B of the Agreement (entitled "Ownership of Facilities, Transport of Non-Reclamation Project Water") is hereby amended in its entirety to read as follows:

> "B. <u>Scope of Project, Ownership of Facilities, Transport of Non-BOR Project Water</u>. The Parties agree that the Snyderville Basin Project shall consist of, and for all purposes as referred to in this Agreement (as hereby amended) shall be defined as, an intake structure and pump station (the "Weber Basin Pump Station") near or on property owned by Reclamation on the Weber River near the inlet to Rockport Reservoir, a pipeline from the Weber Basin Pump Station to the existing pump station owned by Mountain Regional (the "Mountain Regional Pump Station"), and additional pumps and other improvements to the Mountain Regional Pump Station as needed to accommodate the volume of water to be supplied to Park City Water and Mountain Regional pursuant to the Agreement and related waters sales contracts between Weber Basin and Park City Water and Weber Basin and Mountain Regional. The facilities comprising the Snyderville Basin Project shall be designed and constructed by Weber Basin. The Weber Basin Pump Station and the pipeline from the Weber Basin Pump Station to the Mountain Regional Pump Station shall be owned, operated, maintained, repaired and replaced by Weber Basin. The Mountain Regional Pump Station, including the additional pumps and other improvements to the Mountain Regional Pump Station, shall be owned, operated, maintained, repaired and replaced by Mountain Regional. The transport of any water other than Snyderville Basin Project Water through any facilities comprising the Snyderville Basin Project shall be in the sole and absolute discretion of Reclamation and Weber Basin, both before and after the facilities have been paid for under in paragraph I.C below."

2. Paragraph I.C of the Agreement (entitled "Snyderville Basin Project Costs and Financing") is hereby amended in its entirety to read as follows:

> "C. <u>Snyderville Basin Project Costs and Financing</u>. The costs of study (other than those borne by Reclamation), development, design and construction of the Snyderville Basin Project will be borne by Weber Basin and repaid to Weber Basin pursuant to the Water Sales Contracts referred to in Section II.C, below."

3. Paragraph I.D of the Agreement (entitled "Park City Water and Mountain Regional Facilities") is hereby amended in its entirety to read as follows:

> "D. <u>Park City Water and Mountain Regional Facilities</u>. All facilities necessary to be constructed or otherwise provided by Park City Water to receive, transport and deliver

water from the point of delivery at the Mountain Regional Pump Station into Park City Water's water system(s), and all facilities necessary to be constructed or otherwise provided by Mountain Regional to receive, transport and deliver water from the said point of delivery at the Mountain Regional Pump Station into Mountain Regional's water system(s), shall be acquired, designed, constructed, owned, operated, maintained, repaired and replaced by Park City Water and Mountain Regional, respectively, at their sole cost and expense."

4. Paragraph II.A of the Agreement (entitled "Water Supply Commitment"") is hereby amended in its entirety to read as follows:

"A. Water Supply Commitment. The water for the Snyderville Basin Project may consist of Project Water or District Water, or both. Subject to the terms, conditions and limitations of this Agreement and of the Water Sales Contracts referred to in Section II.C, below, Weber Basin shall provide a forty (40) year supply of raw water to Park City Water and Mountain Regional, to be delivered by Weber Basin from its sources of supply, in the amounts specified in the Takedown Schedule attached hereto and by this reference incorporated herein (the **"Takedown Schedule"**) at the point of delivery determined by the District Study and/or the Reclamation Study."

5. Paragraph II.C of the Agreement (entitled "Water Purchase Commitment"") is hereby amended in its entirety to read as follows:

"C. Water Purchase Commitment. Park City Water and Mountain Regional, respectively, shall execute and deliver to Weber Basin (subject to approval by Reclamation) the applicable water sales contracts (the **"Water Sales Contracts"**) attached hereto and by this reference incorporated herein, for their respective allocations of the Snyderville Basin Project Water as provided in Section II.B, above. If there are any contradictions or inconsistencies between the terms and provisions of this Agreement and the terms and provisions of the Water Sales Contracts, the terms and provisions of the Water Sales Contracts shall govern."

6. Paragraph II.D of the Agreement (entitled "Reservation Fees for Snyderville Basin Project Water") is hereby amended in its entirety to read as follows:

"D. Reservation Fees for Snyderville Basin Project Water. Until the date which is three (3) years after the date on which construction of the Snyderville Basin Project is complete and able to deliver water (the **"Project Completion Date"**), Weber Basin shall reserve from its sources of supply for use in the Snyderville Basin Project Five Thousand (5,000) acre-feet of water, less any amounts previously contracted for in accordance with the Takedown Schedule, and as an express condition to Weber Basin reserving said water, Park City Water and Mountain Regional shall each pay to Weber Basin annually, on or before the first business day of January of each year for which such water is to be reserved, a reservation fee in the amount of One Hundred Twenty-Five Thousand Dollars ($125,000) per year (the **"Reservation Fees"**). Weber Basin shall use said Reservation Fees to cover all of its costs, whether contracted or internal, incurred in connection with the Snyderville Basin Project (collectively, **"Weber Basin's Project Development Costs"**), including, but not limited to, all costs incurred in connection with the District Study and the Reclamation Study, all design, engineering and other costs incurred in connection with the Snyderville Basin Project, and all costs in obtaining all required State Approvals and Federal Approvals referred to in Section III.A, below. If at any time or from time to time Weber Basin anticipates that the then remaining balance of the Reservation Fees paid by Park City Water and Mountain Regional pursuant to this Agreement will be insufficient to cover Weber Basin's Project Development Costs, then Weber Basin shall give written notice of such anticipated deficiency to Park City Water and Mountain Regional, following which the Parties shall meet quarterly during the next ten (10) months in order to allow Park City and Mountain Regional to anticipate and budget for such deficiency; and at the end of such ten (10) month period Weber Basin shall notify Park City Water and Mountain Regional of the actual amount of such deficiency, and Park City Water and Mountain Regional shall each pay to Weber Basin one-half (½) of the amount of such actual deficiency within sixty (60) days after receipt of such notice."

7. Paragraph II.E of the Agreement (entitled "First Right of Refusal to Acquire Defaulting Party's Share of Water") is hereby deleted in its entirety.

8. Paragraph III.A(1) of the Agreement (entitled "Federal Approvals") is hereby amended by deleting the words "(and provided the District Study and the Reclamation Study determine that the Snyderville Basin Project can be constructed)" and the words "Petitions and".

9. Section IV of the Agreement (entitled "Termination of Agreement Prior to Execution of Petitions and Water Sales Contracts") and Section X of the Agreement (entitled "Alternative Project") are hereby deleted in their entirely.

10. All remaining provisions of the Agreement are hereby ratified and affirmed, and shall remain in full force and effect.

11. The Agreement, this Amendment, and the related Water Sales Contracts set forth the entire understanding and agreement of the Parties with respect to the subject matter hereof, and all prior negotiations, understandings, representations, inducements and agreements, whether oral or written and whether made by a Party hereto or by any one acting on behalf of a Party, shall be deemed to be merged therein and shall be of no further force or effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Amendment to Water Supply Agreement as of the day and year first above written.

ATTEST:

WEBER BASIN WATER CONSERVANCY DISTRICT

____
Secretary

By:___________________________________
Chairman, Board of Trustees

APPROVED AS TO FORM:

____
Weber Basin Attorney

ATTEST:

PARK CITY WATER SERVICE DISTRICT

____
City Recorder

By:___________________________________
President

APPROVED AS TO FORM:

____
Park City Water Attorney

ATTEST:

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

____
Clerk

By:___________________________________
Chairperson, Administrative Control Board
(Mountain Regional's Governing Authority pursuant to delegation by the Board of County Commissioners of Summit County)

APPROVED AS TO FORM:

____
Mountain Regional Attorney

CONTRACT BETWEEN THE UNITED STATES OF AMERICA,
WEBER BASIN WATER CONSERVANCY DISTRICT AND
PARK CITY WATER SERVICE DISTRICT

FOR THE SALE OF THE USE OF UNTREATED WATER

*****

THIS CONTRACT made this ____ day of ________________, 2006, between the UNITED STATES OF AMERICA, acting by and through the Bureau of Reclamation, Department of the Interior, pursuant to the provisions of the Act of January 17, 1902, and acts amendatory and supplemental thereto, particularly the Act of August 29, 1949 ("Reclamation"), WEBER BASIN WATER CONSERVANCY DISTRICT, a water conservancy district organized and existing pursuant to the provisions of ' 17A-2-1401 *et seq.*, Utah Code Annotated, 1953, as amended ("Weber Basin"), and PARK CITY WATER SERVICE DISTRICT, a special service district organized and existing pursuant to the provisions of ' 17A-2-1301 *et seq.*, Utah Code Annotated, 1953, as amended ("Purchaser") (Weber Basin and Purchaser being herein sometimes collectively referred to as the "Parties"),

WITNESSETH:

A. WHEREAS, Weber Basin, Purchaser and Mountain Regional Water Special Service District, a special service district organized and existing pursuant to the provisions of ' 17A-2-1301 *et seq.*, Utah Code Annotated, 1953, as amended ("Mountain Regional") have entered into a Water Supply Agreement dated May 13, 2004, as amended (the "Water Supply Agreement"), to provide to Purchaser and Mountain Regional from a project to be constructed by Weber Basin, to consist of an intake structure and pump station (the "Weber Basin Pump Station") near or on property owned by Reclamation on the Weber River near the inlet to Rockport Reservoir, a pipeline from the Weber Basin Pump Station to the existing pump station owned by Mountain Regional (the "Mountain Regional Pump Station"), and additional pumps and other improvements to the Mountain Regional Pump Station as needed to accommodate the water to be supplied to Purchaser and Mountain Regional pursuant to the Water Supply Agreement and this and a related water sales contract with Mountain Regional (collectively, the "Snyderville Basin Project"), a supply of untreated water, which may consist of water that Weber Basin administers under agreement with Reclamation or other water developed independently by Weber Basin, and

B. WHEREAS, pursuant to the Water Supply Agreement, Weber Basin has reserved from its supply a limited amount of water for the purpose of selling the use thereof to Purchaser, and

C. WHEREAS, Purchaser desires to purchase from Weber Basin the right to use Two Thousand Five Hundred (2,500) acre-feet of water, on the terms and conditions herein set forth,

NOW, THEREFORE, in consideration of the mutual and dependent promises and undertakings herein contained, it is agreed between Weber Basin and Purchaser as follows:

1. Purchase of Right to Use Water. Weber Basin shall sell to Purchaser, for a period of forty (40) years commencing upon completion of the Snyderville Basin Project, the right to use the amount of water specified in the Takedown Schedule attached hereto and by this reference incorporated herein (the "Snyderville Basin Project Water"), and shall deliver the same in the manner and at the place hereinafter provided, and Purchaser shall purchase from Weber Basin the right to use said Snyderville Basin Project Water in each calendar year during said forty (40) year period. The purchase of the right to use annually the quantities of Snyderville Basin Project Water specified on the Takedown Schedule represents minimum annual contract amounts. Purchaser may accelerate its purchases hereunder by notifying Weber Basin in writing ninety (90) days prior to the end of any calendar year of its intent to so accelerate and specifying the amount of additional Snyderville Basin Project Water the right to the use of which Purchaser desires to purchase commencing with the next calendar year; provided, however, that in the event purchases are so accelerated, Purchaser shall not be relieved of its obligation to purchase the minimum contract amount provided for in the Takedown Schedule for each succeeding year.

2. Obligation of Purchaser to Pay for Water. Purchaser shall annually pay Weber Basin for its right to use the Snyderville Basin Project Water under this Contract in conformance with the following:

(a) Snyderville Basin Project Water Rate. Purchaser shall pay for the right to use Snyderville Basin Project Water under this Contract at the "Snyderville Basin Project Water Rate", which shall be determined by adding to the average of Weber Basin's Project Water Rate and District I Water Rate, as the same are determined annually by Weber Basin's Board of Trustees (which consist of Weber Basin's cost for source development, including, but not limited to, Weber Basin's repayment obligations to the United States and other lenders, and operation, repair, replacement and maintenance throughout Weber Basin's system, as the same are determined annually by Weber Basin's Board of Trustees for its other customers), one-half (1/2) of: (i) the annual amount of all capitalized costs relating to project development of the Snyderville Basin Project (to the extent the same are not covered by Reservation Fees paid to Weber Basin under the Water Supply Agreement); and (ii) the annual amount of all capitalized costs of construction of the Snyderville Basin Project.

(b) Annual Payment. The Snyderville Basin Project Water Rate shall be determined each year by Weber Basin's Board of Trustees, subject to the terms of this Contract, to take effect on January 1 of the following calendar year. The annual obligation to be paid by Purchaser under this Contract shall then be determined by multiplying the Snyderville Basin Project Water Rate by the amount of Snyderville Basin Project Water the use of which Purchaser is required to purchase (or allowed to purchase, in the case of any accelerated purchases pursuant to paragraph 1 above) under this Contract for the following calendar year (the "Annual Payment"). If Weber Basin's estimate of the operation, maintenance, replacement and repair costs used determining the Snyderville Basin Project Water Rate is more or less than the actual costs thereof, an appropriate adjustment will be made in the Annual Payment for the year following the year for which the estimate was made. Notwithstanding the foregoing, the Snyderville Basin Project Water Rate for the calendar year in which the Project Completion Date occurs shall be effective on the Project Completion Date, and the amount of the Annual Payment for the year in which the Project Completion Date occurs shall be prorated for the number of days remaining in that year. Weber Basin's determinations of the Annual Payment and any adjustment or supplement thereto shall be final and conclusive.

(c) Annual Billing Statement; Payment Due Date. A notice setting forth a statement of the amount of the Annual Payment for the calendar year in which the Project Completion Date occurs and the next succeeding calendar year shall be furnished to Purchaser within sixty (60) days following the Project Completion Date. The amount of the Annual Payment for the year in which the Project Completion Date occurs shall be due and payable to Weber Basin within ninety (90) days of such notice. The amount of the Annual Payment for the next succeeding calendar year shall be due and payable to Weber Basin on or before the first business day of January of such next succeeding calendar year or, if later, on the date which is ninety (90) days after the Project Completion Date. A notice setting forth a statement of the amount of the Annual Payment for each succeeding calendar year shall be furnished to Purchaser on or before March 1 of the previous calendar year. The amount of the Annual Payment as set forth in the notice shall be due and payable to Weber Basin on or before the first business day of January of such succeeding year during the remainder of the forty (40) year period of this Contract.

(d) Supplemental Operating Charge. In addition to the Annual Payment, Weber Basin's Board of Trustees may from time to time impose an additional charge (the "Supplemental Operating Charge") to cover any additional expenses incurred in connection with the Snyderville Basin Project (including, but not limited to, any wheeling, conveyance or other similar charge payable to the United States for the use of its facilities to deliver the Snyderville Basin Project Water hereunder), and Purchaser shall pay such supplemental operating charge on or before the date specified in the supplemental notice.

(e) Take-or-Pay Basis. The Annual Payment and any Supplemental Operating Charge shall be paid in full by Purchaser to Weber Basin whether or not all or any part of the annual allocation of Snyderville Basin Project Water set forth in the Takedown Schedule is called for or used by Purchaser.

(f) Refusal of Water in the Event of Default. No water will be delivered to or for Purchaser if Purchaser has not paid all Reservation Fees required by the Water Supply Agreement or if Purchaser is in arrears in any Annual Payment, Supplemental Operating Charge or other obligations due and owing to Weber Basin under this Contract for more than thirty (30) days. The provisions of this paragraph are not exclusive and shall not in any manner prevent Weber Basin from exercising any other remedy given by this Contract or by law to enforce the collection of any payments due under the terms of this Contract.

(g) Penalty for Delinquency. Every installment or charge required to be paid to Weber Basin under this Contract which shall remain unpaid after its due date shall bear interest from date of delinquency at the existing prime interest rate as of January 1 of each year.

3. Water Rate Covenant. Purchaser shall levy impact fees, water service fees and other fees and charges in connection with the sale of Snyderville Basin Project Water to its customers and customer agencies in amounts sufficient to pay all obligations due and owing to Weber Basin each year in addition to such amounts as shall be necessary to cover administrative, contract, operation, maintenance and replacement costs, expenses and reserve accounts relative to its own water distribution system.

4. Collection of Fees and Charges by Purchaser. Purchaser shall exercise all of its lawful powers and authority to collect all fees and charges levied by it and otherwise take such action as shall be necessary in order to ensure that there are sufficient revenues on hand to pay all amounts owing to Weber Basin hereunder as the same become due.

5. Delivery and Use of Water. Water furnished under this Contract shall be measured at the Weber Basin Pump Station and delivered at the Mountain Regional Pump Station. Weber Basin reserves the right to substitute and use any of its sources of water to make the delivery. It shall not be the responsibility of Weber Basin to provide facilities to convey water from such point of delivery to the place of use. Purchaser shall be charged a pro-rata share of all conveyance and operation losses from Weber Basin's storage reservoirs to said point of delivery. Purchaser shall have no right to hold over or accumulate from year to year water covered hereby. Weber Basin shall not guarantee pressures or be responsible for fluctuations in pressure including failure of devices regulating pressure. Purchaser shall give Weber Basin not less than forty-eight (48) hours prior notice of any desired change in the flow rate of water then being delivered. Purchaser shall provide sufficient storage, at its own expense, to maintain a flow rate from Weber Basin not to exceed Three Thousand One Hundred (~~1,550~~ 3,100) gallons per minute. At no time shall the Snyderville Basin Project Water be delivered at a flow rate exceeding Four Million Four Hundred Fifty Thousand (4,450,000) gallons per day. Purchaser shall not sell the use of Snyderville Basin Project Water to any person or entity

for use outside Weber Basin's boundaries, as now or hereafter fixed, either on a permanent or temporary basis.

6. Operation and Maintenance of Purchaser's Facilities. Purchaser shall operate, maintain, replace and repair, without cost to Weber Basin, all of Purchaser's facilities necessary to take and utilize its water, including the water purchased under this Contract.

7. Accounting and Water Supply Records. Purchaser shall maintain a standard set of books (a) to account for money received and expended as provided by law and (b) to keep and furnish suitable records of water supply and the disposition thereof.

8. Annexation. Purchaser agrees to take all action necessary to annex into the Weber Basin Water Conservancy District all property in Summit County that is now or in the future may become within the boundaries of Purchaser.

9. Beneficial Use. The basis, measure, and limit of the right of Purchaser to the use of Snyderville Basin Project Water shall rest perpetually in the beneficial application thereof. Purchaser shall put the Snyderville Basin Project Water to beneficial use in accordance with law for wholesale and retail sale and delivery and to supplement its existing municipal water supply for present and future, planned and permitted development.

10. Waste Water, Seepage Water and Return Flow. The reuse of Snyderville Basin Project Water pursuant to this Agreement is not allowed except upon the prior written authorization of Weber Basin and the United States. The waste, seepage, or return flow from water delivered pursuant to this Contract shall belong to the United States for the use and benefit of the Weber Basin Project. Weber Basin may substitute in lieu of stored water any other water available to the Weber Basin Project to the extent that it can be delivered at points where it can be used, provided such water is of quality suitable for project municipal irrigation use. All of Purchaser's water users who accept the benefits of this Contract shall be deemed thereby to have consented to such substitution of water, and Purchaser shall obtain the written consent of all such users of Snyderville Basin Project Water to such substitution of water.

11. Compliance with Applicable Pollution Laws and Regulations. Purchaser agrees to fully comply with all applicable Federal laws, orders and regulations, and the laws of the State of Utah, all as administered by appropriate authorities, concerning the pollution of streams, reservoirs, ground water, or water courses with respect to thermal pollution or the discharge of refuse, garbage, sewage effluent, industrial waste, oil, mine tailings, mineral salts, or other pollutants.

12. Water Shortage. In the event there is a shortage of water caused by drought, inaccuracies in distribution not resulting from negligence, hostile diversion, prior or superior claims, or other causes not within the control of Weber Basin, no liability shall accrue against the United States or Weber Basin or any of its officers, agents or employees for any damage, direct or indirect, arising therefrom, and the payments to

Weber Basin provided for herein shall not be reduced because of any such shortage or damage. During periods of water shortage, allocations of treated and untreated water for municipal, domestic, and industrial use shall have priority over irrigation water deliveries. If there should ever be any shortage of municipal water, deliveries to Purchaser shall be reduced in the proportion that the number of acre-feet of such shortage as determined by Weber Basin bears to the total number of acre-feet allocated for municipal use within the total Weber Basin system. Notwithstanding the foregoing, Weber Basin shall use its best efforts to remedy said inability to provide a full supply of Snyderville Basin Project Water at the earliest possible date.

13. Subject to Water Conservancy Act and Reclamation Law. This Contract, and any amendments thereto, shall be subject to the Utah Water Conservancy Act, 17A-2-1401 et seq., Utah Code Annotated, 1953, as amended, and the rules and regulations of Weber Basin as the same have been and may be supplemented or amended from time to time. The delivery of water or the use of Federal facilities pursuant to this Contract is subject to Reclamation law, as amended and supplemented, and the rules and regulation promulgated by the Secretary of the Interior to administer Reclamation Law. Purchaser agrees to abide by such final rules and regulation lawfully adopted.

14. Notice. Any and all notices or other communications to be given to either of the Parties hereto shall be personally delivered to such Party or mailed to such Party by registered or certified mail, return receipt requested, at the address indicated below:

Notices to Weber Basin:

Weber Basin Water Conservancy District
2837 East Highway 193
Layton, Utah 84040

Notices to Purchaser:

Park City Water Service District
445 Marsac Avenue
Park City, Utah 84060

Either Party may change the place of address aforesaid by written notice to the other Party. Notice shall be deemed to have been given upon the date of personal delivery thereof or upon depositing the same in the United States mails as aforesaid.

15. Relationship to Water Supply Agreement. The Water Supply Agreement is not cancelled or superseded by this Contract, but shall remain in full force and effect. However, if there are any contradictions or inconsistencies between the terms and provisions of this Contract and the terms and provisions of the Water Supply Agreement, the terms and provisions of this Contract shall govern.

16. Binding Effect. The provisions of this Contract shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

17. Assignment Limited. The provisions of this Contract shall apply to and bind the respective successors and assigns of the Parties; however, but no assignment or other transfer of this Contract or any part thereof or interest therein shall be valid unless and until approved by Weber Basin, whose approval shall not be unreasonably withheld.

18. Expenses of Enforcement. In any proceeding to enforce, interpret, rescind or terminate this Contract or in pursuing any remedy provided hereunder or by applicable law, the prevailing Party shall be entitled to recover from the other Party all costs and expenses, including a reasonable attorney's fee, whether such proceeding or remedy is pursued by filing suit or otherwise, and regardless of whether such costs, fees and/or expenses are incurred in connection with any bankruptcy proceeding.

19. Severability. If any term or provision of this Contract shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of this Contract.

20. Captions. The section and paragraph headings contained in this Contract are for the purposes of reference only and shall not limit, expand or otherwise affect the construction of any provisions hereof.

21. Construction. As used herein, all words in any gender shall be deemed to include the masculine, feminine, or neuter gender, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

22. Further Action. The Parties hereby agree to execute and deliver such additional documents and to take further action as may become necessary or desirable to fully carry out the provisions and intent of this Contract.

23. Inducement. The making and execution of this Contract has not been induced by any representation, statement, warranty or agreement other than those herein expressed.

24. Force Majeure. Performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrections, strikes, lock-outs, floods, earthquakes, fires, casualties, acts of God, epidemics, quarantine, restrictions, inability (when the responsible Party is faultless) to secure necessary labor, materials, tools, acts or failure to act of any public or governmental agency or entity, or by any other reason not the fault of the Party delayed in performing work or doing acts required under the terms of this Contract, and in such event, the performance of such work or the doing of such act shall be excused for the period of the delay and the period of performance for any such work or the doing of any such act shall be extended for a period equivalent to the period of such delay.

25. <u>No Third Party Beneficiaries</u>. This Contract shall not be deemed to create any right in any person who is not a Party (other than the permitted successors and assigns of a Party) and shall not be construed in any respect to be a contract, in whole or in part, for the benefit of any third party (other than permitted successors and assigns of a Party hereto).

26. <u>Entire Agreement</u>. This Contract and the Water Supply Agreement, as amended, set forth the entire understanding and agreement of the Parties with respect to the subject matter hereof, and all prior negotiations, understandings, representations, inducements and agreements, whether oral or written and whether made by a Party hereto or by any one acting on behalf of a Party, shall be deemed to be merged therein and shall be of no further force or effect.

27. <u>Effective Upon Acceptance and Execution by Weber Basin and United States</u>. This Contract shall become the binding obligation of the Parties upon acceptance and execution hereof by Weber Basin and the United States Bureau of Reclamation, as evidenced by their respective signatures below.

[Signature Page Follows]

IN WITNESS WHEREOF, this Contract has been executed by the Parties hereto as of the day and year first above written.

ATTEST:

PARK CITY WATER SERVICE DISTRICT

____
Recorder

By: ____________________
Chairman

APPROVED AS TO FORM:

____
Park City Water Attorney

ATTEST:

WEBER BASIN WATER CONSERVANCY DISTRICT

____
Tage I. Flint, Secretary

By: ____________________
President

APPROVED AS TO FORM:

____
Weber Basin Attorney

THE UNITED STATES OF AMERICA,
Bureau of Reclamation

By: ____________________
Regional Director, Upper Colorado Region

APPROVED AS TO FORM:

____
Office of the Solicitor