

Original Date: September 30, 2008
 Revised Date: April 22, 2009

Economic Impact Analysis

Treasure will produce positive economic impacts on Park City, Summit County and in particular the Historic Main Street District, without heavy infrastructure and operating burden, by providing Main Street year round additional tourist bed base and a 1,000-person conference center capacity. The main positive economic impacts will come from increased property tax, transient room tax, sales tax, impact fees, improved skiing to Main Street (beginner terrain, repeat skiing to the top of Payday and faster lift access), conference attendees in the off-season on Main Street, contribution to snow removal (with out adding any new public maintained roadway) and contribution to Affordable Housing (seasonal employee housing). The conference capacity will help the lodging establishments in Old Town, in filling their respective bed base.

As an example, the increase property tax which is shared by the following: Summit County, Park City, Multi-County Assessment and Collection, Local Assessment and Collection, Weber Basin Water, Park City Fire, and Park City School District could range between \$5 to \$7 million (2009 US Dollars) annually depending on the market value of primary and secondary residential property and commercial property. The additional transient room tax will depend on the nightly rentals, occupancy rates and room rates of the various lodging establishments in Old Town. The sales tax will depend on how much money the guests and residents from Treasure spend in Park City (Historic Main Street District) and Summit County. Below is a list of estimated fiscal impact fees and annual taxes based on assumptions that will change due to government policy, US and Utah economy, actual configuration of Treasure and on going businesses within Treasure.

Dollars Rounded to Thousands

Annual Property Tax.....	\$2,905,000
Annual Sales Tax (including RAP, TRT, & Restaurant Tax)	\$4,147,000
Annual Business Licenses Fees.....	\$29,000
Annual Franchise Tax	\$33,000
Park City Building Permit Fees	\$8,198,000
Summit County Impact Fees (Fire and Sewer)	\$2,459,000
Annual Snow Removal Contribution	\$27,000
Full Time Equivalents (Employees).....	300

Calculations and Assumptions

The following pages contain calculations and assumptions used to calculate the estimated fiscal impact fees and annual taxes.

Summations

Annual Property Tax	<u>\$2,905,396</u>
Annual Sales Tax including Summit County RAP, TRT & Restaurant Tax *	<u>\$4,147,396</u>
Annual Business Licenses Fees	<u>\$28,988</u>
Annual Franchise Tax	<u>\$32,957</u>
Park City Building Permit Fees:	
Building Permit Fee	\$1,304,510
Plan Check Fee	\$847,932
1% State Surcharge	\$13,045
Limits of Disturbance/Landscape Guarantee	\$98,010
Lowell Avenue and Impire Avenue Fee	\$2,000,000
Impact Fees for parks, trails, open space, police, roadway facilities	\$653,680
Water Impact Fees	\$3,341,024
Total	<u>\$8,258,201</u>
County Impact Fees:	
Fire Permitt Fees	\$250,831
Sewer Fees	\$2,208,248
	<u>\$2,459,079</u>
Annual Snow Removal Contribution	<u>\$26,846</u>

* RAP = Recreation, Arts and Parks; TRT = Transient Room Tax

Winter

	Summit Co. Average Prices	Treasure Hill	Park City Taxes	Summit County Taxes
Per capita on-Mountain Expenditures - Per Day				
Lift passes	\$50.00	\$7,875,000	\$159,863	\$7,875
Restaurants/Food and Beverage	\$18.42	\$2,901,150	\$58,893	\$31,913
Ski/Snowboard Lessons	\$9.29	\$1,463,175	\$29,702	\$1,463
Day Care/Nursery	\$5.21	\$820,575	\$16,658	\$821
Equipment Rentals	\$11.95	\$1,882,125	\$38,207	\$1,882
Other (Incidentals, Tips Sundries)	\$5.58	\$878,850	\$17,841	\$879
Subtotal	\$100.45	\$15,820,875	\$321,164	\$44,832

Per Capita In-Town/Base Area Expenditures - Per Day				
Lodging	\$500.00	\$27,562,500	\$559,519	\$854,438
Restaurants/Food and Beverage	\$44.46	\$9,336,600	\$189,533	\$102,703
Ski/Snowboard Equipment And Amusement	\$14.46	\$2,277,450	\$46,232	\$2,277
Other Shopping/Retail Purchases	\$43.54	\$9,143,400	\$185,611	\$9,143
Entertainment and Amusement	\$13.34	\$2,801,400	\$56,868	\$2,801
Gasoline And Auto Repair	\$6.51	\$1,367,100	\$27,752	\$1,367
Other Local transportation Costs	\$5.54	\$1,163,400	\$23,617	\$1,163
Lodging Incidentals Such as Tips, Phones, Laundry, etc.	\$9.34	\$1,961,400	\$39,816	\$1,961
Other Services (Incidentals, Tips, Sundries)	\$5.83	\$1,224,300	\$24,853	\$1,224
Auto rental	\$18.20	\$3,822,000	\$77,587	\$3,822
Subtotal	\$661.22	\$60,659,550	\$1,231,389	\$980,901

Total Per Capita Daily Expenditures	<u>\$761.67</u>	<u>\$76,480,425</u>	<u>\$1,552,553</u>	<u>\$1,025,733</u>
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Per capita estimated Mine Tour Expenditures				
Mine Tour Tickets		\$900,000	\$18,270	\$900
Retail		\$600,000	\$12,180	\$600
Restaurants/Food and Beverage		\$300,000	\$6,090	\$3,300
Gold and gem panning		\$240,000	\$4,872	\$240
Total		<u>\$2,040,000</u>	<u>\$41,412</u>	<u>\$5,040</u>

	City	County
Sales Tax		
Local Option Sales Tax	0.63%	
Resort City Sales Tax	1.10%	
Mass Transit Tax	0.30%	
RAP Tax Recreation, Arts & Parks program		0.10%
Transient Room Tax		3.00%
Restaurant Tax		1.00%

Assumptions:	
Winter Skier/Hotel Days	150
Number of person not skiing/boarding per skiing/boarding	0.25
Number skiers/boarders	1
Maximum Capacity of Treasure	2000
Maximum Capacity of Hotel	525
Maximum Capacity Skiers	1500
Average occupancy %	70.00%
Conference Maximum Size	1000
Conference Average Size	500.00%
Number of conferences Winter	15
Average length of conference in days	2

Mine Tour Max Capacity per day	
Max persons per hour	800
Hours per day	100
Days open during winter	8
Max annual underground per person capacity	150
Average ticket price per person	120,000
Average retail sale per person	\$15.00
Average food/beverage per person	\$10.00
Average panning per person	\$5.00
Mine average occupancy %	\$4.00
	50.00%

Spring Summer Fall

Per capita on-Mountain Expenditures - Per Day

	Summit Co. Average Prices	Treasure Hill	Park City Taxes	Summit County Taxes
Lift passes	\$12.50	\$1,125,000	\$22,838	\$1,125
Restaurants/Food and Beverage	\$0.00	\$0	\$0	\$0
Biking/Touring	\$0.00	\$0	\$0	\$0
Equipment Rentals	\$10.00	\$900,000	\$18,270	\$900
Other (Incidentals, Tips Sundries)	\$0.00	\$0	\$0	\$0
Subtotal	\$22.50	\$2,025,000	\$41,108	\$2,025

Per Capita In-Town/Base Area Expenditures - Per Day

Lodging	\$200.00	\$11,287,500	\$229,136	\$349,913
Restaurants/Food and Beverage	\$44.46	\$9,558,900	\$194,046	\$105,148
Biking, Fishing Equipment And Amusement	\$14.46	\$3,108,900	\$63,111	\$3,109
Other Shopping/Retail Purchases	\$43.54	\$9,361,100	\$190,030	\$9,361
Entertainment and Amusement	\$13.34	\$2,868,100	\$58,222	\$2,868
Gasoline And Auto Repair	\$6.51	\$1,399,650	\$28,413	\$1,400
Other Local transportation Costs	\$5.54	\$1,191,100	\$24,179	\$1,191
Lodging Incidentals Such as Tips, Phones, Laundry, etc.	\$9.34	\$2,008,100	\$40,764	\$2,008
Other Services (Incidentals, Tips, Sundries)	\$5.83	\$1,253,450	\$25,445	\$1,253
Auto rental	\$18.20	\$3,913,000	\$79,434	\$3,913
Subtotal	\$361.22	\$45,949,800	\$932,781	\$480,164

Total Per Capita Daily Expenditures in Utah

\$383.72	\$47,974,800	\$973,888	\$482,189
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Per capita Mine Tour Expenditures

Mine Tour Tickets		\$1,290,000	\$26,187	\$1,290
Retail		\$860,000	\$17,458	\$860
Restaurants/Food and Beverage		\$430,000	\$8,729	\$4,730
Gold and gem panning		\$344,000	\$6,983	\$344
Total		\$2,924,000	\$59,357	\$7,224

	City	County
Sales Tax		
Local Option Sales Tax	0.63%	
Resort City Sales Tax	1.10%	
Mass Transit Tax	0.30%	
RAP Tax Recreation, Arts & Parks program		0.10%
Transient Room Tax		3.00%
Restaurant Tax		1.00%

Assumptions:

Days Hotel is Open	215
Days Town Lift is Open	120
Number of person not taking Town Lift	0.25
Number of Riders	1
Maximum Capacity of Treasure	2000
Maximum Capacity of Hotel	525
Maximum Capacity Riders	1500
Average occupancy %	50.00%
Conference Maximum Size	1000
Conference Average Size	50.00%
Number of conferences Summer, Fall & Spring	107
Average length of conference in days	2

Mine Tour Max Capacity per day

Max persons per hour	800
Max persons per hour	100
Hours per day	8
Days open during summer, fall, and spring	215
Max annual underground per person capacity	172,000
Average ticket price per person	\$15.00
Average retail sale per person	\$10.00
Average food/beverage per person	\$5.00
Average panning per person	\$4.00
Mine average occupancy %	50.00%

Subject: RE: Snow Removal %
Date: Monday, March 30, 2009 9:38 AM
From: Bret Howser <bhowser@parkcity.org>
To: Michael Sweeney <mesgold@yahoo.com>

2009 snow removal budget is \$1,159,000 (70% of the Streets Dept budget).

From: Michael Sweeney [mailto:mesgold@yahoo.com]
Sent: Monday, March 30, 2009 9:35 AM
To: Bret Howser
Subject: Re: Snow Removal %

Bret,

Treasure is not part of the RDA, as far as I know. Could you please provide me with the snow removal budget number which we would contribute 4.4% of Treasure's property tax.

Thanks — Mike Sweeney

From: Bret Howser <bhowser@parkcity.org>
Date: Mon, 30 Mar 2009 08:47:43 -0600
To: Michael Sweeney <mesgold@yahoo.com>
Subject: Snow Removal %

About 4.4% of the property tax your project generates should go toward snow removal. This assumes that your project is not in the Lower Park Ave RDA area. From eyeballing the map, it looks like your project only borders the RDA, but I'm having our GIS guy take a look at the legal description to verify this. If your project were in the RDA, none of the incremental property tax would go toward snow removal. It would all need to go back into the project area for economic development.

-Bret Howser

Property Tax and Snow Removal Contribution Calculations

	Summit Co.	Treasure Hill	Park City
	Values	Summit Co. Taxes	Share Of Taxes
Property Value			
Property Value and Property Tax:	\$304,229,920.00	\$2,905,396	\$610,133
Hotel	\$71,852,189		
Residence Club	\$85,480,740		
Whole Owner Condos	\$109,318,122		
Entitled Commercial	\$7,477,160		
Support Commercial	\$11,440,269		
Conference Space	\$0		
Ancillary Space	\$4,177,320		
Parking Space	\$14,484,120		
Property Tax Park City's Share	0.21%		
Primary Residences assessed value	55.00%		
Secondary/Other assessed value	100.00%		
Primary Residences	10.00%		
Secondary/Other	90.00%		
Assesment Rate	1.00%		

Hotel	Days per Year	Avg. Daily Rate 1st Quarter	Avg. Daily Rate 2nd Quarter	Avg. Daily Rate 3rd Quarter	Avg. Daily Rate 4th Quarter	Avg. Annual Rate	Gross Revenue From Rooms	Occupancy Rate	Additional Revenue Factor	NOI Factor	Net Operating Income	
Number of Rooms	202	365	\$500	\$150	\$300	\$150	\$275	\$20,275,750	70.00%	1.50	27.00%	\$5,748,175
Cap Rate 8.00%												
Assed Value \$71,852,189												
Net Sq. Ft. 122,225												
Value Per Sq. Ft. \$587.87												

	Sq. Ft.	Assed Value per Sq. Ft.	Assed Value
Residence Club	119,220	\$717	\$85,480,740
Whole Owner Condos	152,466	\$717	\$109,318,122
Entitled Commercial	17,470	\$428	\$7,477,160
Support Commercial	26,730	\$428	\$11,440,269
Conference Space	16,127	\$0	\$0
Ancillary Space	55,698	\$75	\$4,177,320
Parking Space	193,122	\$75	\$14,484,120

Note: The assed value of Residence Club and Whole Owner Condos is 1.5 times the Sky Lodge residential property.

The assed value of the Commercial units are valued on the income approach using the following parameters: \$38.00 sq. ft. rent rate, 10% vacancy rate and a Cap Rate of 8%.

The assed value of the Conference space is valued on the income approach where the net taxable revenue is assumed to be \$0.00.

The assed value of the Ancillary and Parking Space is at the estimated building cost of \$75 per sq. ft.

Fees, Business Licenses and Employee Calculations

Residential Building Space	Type	Type of Unit	Number of Units	Sq. Ft. Built	Average Sq. Ft./Unit	Average Price/Unit	Building Value	Type of Unit	Number of Units	Net Sq. Ft.	Gross Sq. Ft.
1A	Single Family	Whole Owner	6	12,230	2,038	\$815,200	\$4,891,200	Hotel Rooms	202	122,225	152,781
1B	Flats	Whole Owner	9	30,803	3,423	\$1,369,200	\$12,322,800	Residence Club	57	119,220	149,025
1B	Flats	Ancillary Space	6	976	N/A	N/A	\$73,200	Whole Owner Condos	46	152,466	190,583
1C	Town House	Whole Owner	7	23,478	3,354	\$1,341,600	\$9,391,200	Entitled Commercial	4	17,470	21,838
1C	Town House	Ancillary Space	1	0	N/A	N/A	\$0	Support Commercial	4	26,730	33,412
2	Condos	Whole Owner	3	6,369	2,123	\$849,200	\$2,547,600	Conference Space	2	16,127	20,159
2	Condos	Entitled Commercial	1	1,397	N/A	N/A	\$349,250	Ancillary Space	84	55,698	69,622
Employee Housing	Condos	Ancillary Space	24	5,335	225	\$90,000	\$2,160,000	Parking Space	424	193,122	241,402
3A	Flats	Entitled Commercial	1	3,748	N/A	N/A	\$936,500				
3B	Flats	Whole Owner	7	23,781	3,397	\$1,358,800	\$9,511,600				
3B	Flats	Entitled Commercial	1	8,273	N/A	N/A	\$2,068,250				
3B	Flats	Ancillary Space	8	3,149	N/A	N/A	\$236,160				
3C	Flats	Whole Owner	2	8,191	4,096	\$1,638,400	\$3,276,800				
3C	Flats	Entitled Commercial	1	4,054	N/A	N/A	\$1,013,500				
4A	Flats	Whole Owner	4	17,231	4,308	\$1,723,200	\$6,892,800				
4A	Flats	Support Commercial	2	16,880	N/A	N/A	\$4,220,000				
4A	Flats	Conference Space	2	16,127	N/A	N/A	\$3,225,400				
4A	Flats	Ancillary Space	6	21,367	N/A	N/A	\$1,602,540				
4B	Flats	Whole Owner	8	30,383	3,798	\$1,619,200	\$12,153,600				
4B	Hotel Rooms	Hotel	202	122,225	605	\$151,250	\$30,552,500				
4B	Flats	Support Commercial	1	4,501	N/A	N/A	\$1,125,200				
4B	Flats	Ancillary Space	15	20,391	N/A	N/A	\$1,529,340				
5A	Flats	Residence Club	14	36,926	2,638	\$1,055,200	\$14,772,800				
5A	Flats	Ancillary Space	10	1,354	N/A	N/A	\$101,520				
5B	Town House	Residence Club	5	9,445	1,889	\$755,600	\$3,778,000				
5B	Town House	Ancillary Space	1	0	N/A	N/A	\$0				
5C	Flats	Residence Club	26	42,939	1,652	\$660,800	\$17,180,800				
5C	Flats	Support Commercial	1	5,349	N/A	N/A	\$1,337,200				
5C	Flats	Ancillary Space	12	2,266	N/A	N/A	\$169,980				
5D	Flats	Residence Club	12	29,910	2,493	\$997,200	\$11,966,400				
5D	Flats	Ancillary Space	1	859	N/A	N/A	\$64,440				
Parking		Parking	1	193,122			\$14,484,120				
Total							\$173,934,700				876,822

	Price/Sq. Ft.
Whole Ownership	\$400
Residence Club	\$400
Hotel Room	\$250
Entitled Commercial	\$250
Ancillary Space	\$75
Support Commercial	\$250
Employee Housing	\$400
Conference Space	\$200
Parking Space	\$75
Efficient Factor	80.00%

Employee Calculation

Without knowing what is going to be approved or what is actually going to go into the various commercial spaces the applicant is using Table 1 of Resolution 20-07 "Resolution Adopting Affordable Housing Guidelines and Standards for Park City, Utah and Chapter 23 Commercial Link Table 23-1 "Employee Generation Rates By Type Commercial Use" from Sterling, Codifiers, Inc., a company that provides ordinance codes for cities recommended by Park City's staff to calculate the number of employees for Treasure.

County Fees

	Units or Sq. Ft.		
Fire Impact Fee			
Hotel	\$0.40	149,025	\$59,610.00
Resident Club	\$341.24	57	\$19,450.68
Whole Owner Condos	\$341.24	46	\$15,697.04
Entitled Commercial	\$0.40	21,838	\$8,735.20
Support Commercial	\$0.40	33,412	\$13,364.80
Conference Space	\$0.40	20,159	\$8,063.60
Ancillary Space	\$0.40	69,622	\$27,848.80
Parking Space	\$0.40	241,402	\$96,560.80
Fire Fees	\$75.00	20	\$1,500.00
Total			\$250,830.92
Sewer Fees	\$ / RE	RE	
(Based on RE)	\$6,712.00	329	\$2,208,248.00

Type of Use	Employee per unit or 1,000 sq. ft.	Employees
Residential*	0.15 employees per unit	103
Commercial:		
Hotel	0.6 employees/room	202
Restaurant/Bar	6.5 employees per 1,000 sq. ft.	14,941
Retail/Store	3.3 employees per 1,000 sq. ft.	5,818
Health Club	0.96 employees per 1,000 sq. ft.	1,600
Spa	2.1 employees per 1,000 sq. ft.	7,195
Offices	3.2 employees per 1,000 sq. ft.	2,219
Conference/Meeting	0.8 employees per 1,000 sq. ft.	9,676
PCMR -- sales/left operations	6 employees	6
Ski Storage	2 employees per 1,000 sq. ft.	934
Mine Exhibit	2.1 employees per 1,000 sq. ft.	4,012
Total		300

* Assumes that brand running the hotel will also be responsible for all residential units and 90% of the residential units are secondary home owner units, thus a reduction in employee per unit due to gain in economy of scale.

Park City Building Permit Fees

Building Permit Fee	\$173,934,700.00	0.75%	\$1,304,510.25
Plan Check Fee	\$1,304,510.25	65.00%	\$847,931.66
1% State Surcharge	\$1,304,510.25	1.00%	\$13,045.10
Limits of Disturbance/ Landscape Guarantee	\$0.75	130680	\$98,010.00

Impact Fees (Parks, Trails, Open Space, Police, Roadway Facilities)

Hotel Rooms			
< 750 sq. ft.	\$1,240.00	161	\$199,640.00
750 to 2,000 sq. ft.	\$2,490.00	39	\$97,110.00
>2,000 sq. ft.	\$3,730.00	2	\$7,460.00
Condo Units			
< 750 sq. ft.	\$1,240.00	0	
750 to 2,000 sq. ft.	\$2,490.00	28	\$69,720.00
>2,000 sq. ft.	\$3,730.00	75	\$279,750.00
Total			\$653,680.00

Water Impact Fees per (EDU)	\$26,094.00	Per EDU			
Hotel	122,225	19.7516	\$515,398.25		
Resident Club 57 units	119,220	36.9582	\$964,387.27		
Whole Owner Condos	152,466	59.0806	\$1,541,649.18		
Entitled Commercial Restaurant	8,735	4.2486	\$110,862.97		
Entitled Commercial Bar	13,365	2.4250	\$63,277.95		
Support Commercial Spa	14,916	4.6613	\$121,631.96		
Support Commercial Retail	1,211	0.1413	\$3,687.08		
Conference Space	55,698	0.1727	\$4,506.43		
Ancillary Space	193,122	0.5987	\$15,622.48	Restaurant	Fixed Seats 194
Parking Space	0	N/A	N/A	Bar	194
Total			\$3,341,023.57		

Service Unit Generation Rate (EDU)*

Hotel	0.1616
Resident Club	0.3100
Whole Owner Condos	0.3875
Entitled Commercial Restaurant	0.0219
Entitled Commercial Bar	0.0125
Support Commercial Spa	0.3125
Support Commercial Retail	0.1167
Conference Space	0.0031
Ancillary Space	0.0031
Parking Space	N/A

* EUD = Equivalent Demand Unit for new construction within the Park City water impact fee service area.

Business License

Hotel Units Bedrooms	\$28.74	Units	239.00	\$6,914.38		
Conference Center Units Sq. Ft.	\$0.22		31,484.00	\$6,941.00	Entitled Commercial	Conference Space
Spa Units Sq. Ft.	\$0.22		14,916.00	\$3,312.60	8394	8061
Restaurants/Bars Units Sq. Ft.	\$0.33		17,819.00	\$5,997.55	3746	492
Retail Units Sq. Ft.	\$0.22		20,000.00	\$4,426.00	4054	754
Creole Mine Exhibit Units Sq. Ft.	\$0.22		2,000.00	\$484.00	2147	754
Amusement Max Daily Capacity Persons	\$1.08		800.00	\$912.40	Total	754
Total				\$28,987.93		870
						6594
						7893
						5312
						31484

Franchise Tax at Build out

	Annual Costs	Tax Rate	Tax
Electric Costs	\$169,317.50	6.00%	\$10,159.05
Gas Costs	\$159,300.00	6.00%	\$9,558.00
Cable Costs	\$164,380.00	3.50%	\$5,753.30
Phone Costs	\$121,920.00	3.50%	\$4,267.20
Sewer Costs	\$91,980.00	3.50%	\$3,219.30
Total Utility Costs	\$706,897.50		\$32,956.85

Park City Building Permit Fees

Building Permit Fee	\$169,083,260.00	0.75%	\$1,268,124.45
Plan Check Fee	\$1,268,124.45	65.00%	\$824,280.89
1% State Surcharge	\$1,268,124.45	1.00%	\$12,681.24
Limits of Disturbance/ Landscape Guarantee	\$0.75	130680	\$98,010.00

Impact Fees (Parks, Trails, Open Space, Police, Roadway Facilities)

Hotel Rooms			
< 750 sq.ft.	\$1,240.00	161	\$199,640.00
750 to 2,000 sq. ft.	\$2,490.00	39	\$97,110.00
>2,000 sq. ft.	\$3,730.00	2	\$7,460.00
Condo Units			
< 750 sq.ft.	\$1,240.00	0	
750 to 2,000 sq. ft.	\$2,490.00	28	\$69,720.00
>2,000 sq. ft.	\$3,730.00	75	\$279,750.00
Total			\$653,680.00

Water Impact Fees per (EDU)

Water Impact Fees per (EDU)	\$26,094.00	Per EDU	
Hotel	122,225	19.7516	\$515,398.25
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Ancillary Space	193,122	0.5987	\$15,622.48
Parking Space	0	N/A	N/A
Total			\$3,341,023.57

Restaurant	Fixed Seats	194
Bar		194

Service Unit Generation Rate (EDU)*

Hotel	0.1616
Resident Club	0.3100
Whole Owner Condos	0.3875
Entitled Commercial Restaurant	0.0219
Entitled Commercial Bar	0.0125
Support Commercial Spa	0.3125
Support Commercial Retail	0.1167
Conference Space	0.0031
Ancillary Space	0.0031
Parking Space	N/A

* EUD = Equivalent Demand Unit for new construction within the Park City water impact fee service area.

Business License

Hotel Units Bedrooms	\$28.74	Units	239.00	\$6,914.38
Conference Center Units Sq. Ft.	\$0.22		31,484.00	\$6,941.00
Spa Units Sq. Ft.	\$0.22		14,916.00	\$3,312.60
Restaurants/Bars Units Sq. Ft.	\$0.33		17,819.00	\$5,997.55
Retail Units Sq. Ft.	\$0.22		20,000.00	\$4,426.00
Creole Mine Exhibit Units Sq. Ft.	\$0.22		2,000.00	\$484.00
Amusement Max Daily Capacity Persons	\$1.08		800.00	\$912.40
Total				\$28,987.93

Entitled Commercial	8394	Conference Space	8061
	3746		492
	4054		754
	2147		754
Total	18341		754
			870
			6594
			7893
			5312
		Total	31484

Franchise Tax at Build out

Franchise Tax at Build out	Annual Costs	Tax Rate	Tax
Electric Costs	\$169,317.50	6.00%	\$10,159.05
Gas Costs	\$159,300.00	6.00%	\$9,558.00
Cable Costs	\$164,380.00	3.50%	\$5,753.30
Phone Costs	\$121,920.00	3.50%	\$4,267.20
Sewer Costs	\$91,980.00	3.50%	\$3,219.30
Total Utility Costs	\$706,897.50		\$32,956.85

RESOLUTION ADOPTING AFFORDABLE HOUSING GUIDELINES AND STANDARDS FOR PARK CITY, UTAH

WHEREAS, the livability and viability of Park City is directly affected by the availability of a sufficient amount of housing affordable to all residents; and

WHEREAS, the City Council desires to establish policies to ensure a reasonable opportunity for a variety of housing and which bears an essential nexus to maintaining the social, economic and political fabric of the community; and

WHEREAS, the 2005 Park City Housing Assessment and Demand Analysis concluded that the rise of housing costs has outpaced the increase in wages in the service sector areas of the resort based economy and has resulted in making housing unaffordable to working residents of the City; and

WHEREAS, the 2005 Park City Housing Assessment and Demand Analysis projects in the Leisure and Hospitality employment sector will continue to drive the demand for additional workforce housing in Park City; and

WHEREAS, it is in the best interest of the community and a legitimate government interest to formulate guidelines and standards to establish a consistent criteria for review of Master Planned Development applications and annexation petitions and other development actions where affordable housing is needed to mitigate the impact of the project on the community; and

WHEREAS, the cost of providing affordable housing and any solutions should equitably apportion the cost based on impact generation, growth inducement and the underlying goal to provide a diversity of housing types and prices in our community in order to maintain a healthy economy and diverse population.

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

SECTION 1. ADOPTED HOUSING STANDARDS AND GUIDELINES. The following housing standards and guidelines are hereby adopted. Unless otherwise defined separately herein, all words and terms shall have the same meaning as defined in the Land Management Code, as amended.

SECTION 2. APPLICABILITY. These standards shall apply to all new Housing and Commercial Development created under Title 15, Chapter 6 Master Planned Developments and Title 15, Chapter 8 Annexations of the Park City Land Management Code. These standards shall apply to prior agreements on density or configuration unless specifically addressed within Development Agreements.

SECTION 3. PURPOSE. The purpose of this Resolution is to ensure that new development does not adversely affect the supply of affordable housing in the City and to maintain Park City's social, economic and political fabric of its community character. It is intended that the requirements imposed herein are roughly proportionate and reasonably related to the impacts of the Development.

SECTION 4. REVIEW. This Resolution shall be reviewed by the City Council at least biennially to ensure that these standards are meeting the housing goals and objectives.

SECTION 5. DEFINITIONS.

Affordable Housing: Housing costs – rent plus basic utilities or mortgage, tax, insurance and/or Homeowners Association payments – that consume no more than 30 percent of a household's income.

Affordable Housing Unit: Dwelling units that are deed restricted to the housing size and type for individuals meeting occupancy guidelines approved by the Park City Council.

Affordable Unit Equivalent: A two-bedroom unit with 900 square feet of Net Livable Space shall be considered one Affordable Unit Equivalent.

Bedroom: Designed to be used for sleeping purposes and which contains closets and meets all applicable City Building Code requirements for light, ventilation, sanitation and egress.

Deed Restriction: A contract entered into between Park City Municipal Corporation and the owner or purchaser of real property identifying the conditions or occupancy and resale.

Household: All related and unrelated individuals occupying a unit.

Household Income: Combined gross income of all individuals who will be occupying the unit regardless of legal status. Adjustments to the gross for business expenses can be made for persons who are self-employed.

Net Livable Square Footage: Is calculated on interior living area and is measured interior wall to interior wall, including all interior partitions. Also included, but not limited to, habitable basements and interior storage areas, closets and laundry areas. Exclusions include, but are not limited to, uninhabitable basements, mechanical areas, exterior storage, stairwells, garages (either attached or detached), patios, decks and porches.

Park City Housing Wage: The median wage of the core Park City workforce as determined annually by the City Council.

Studio Unit: Living quarters designed around a relatively large single room incorporating the features of a living room, bedroom, dining room/kitchen and bathroom.

SECTION 6. EXEMPTIONS. The development of affordable housing units as defined by the Land Management Code is exempt from the requirements of this Resolution. This may include projects developed by or sponsored by nonprofit organizations and projects for which agreements have been executed that provided affordable housing or land for said purpose.

SECTION 7. FEE WAIVERS. Section 11-12-13 of the Municipal Code provides that “any part of the fees included in this Title may be waived by the City Council upon recommendation of the City Manager, for those projects which are deemed to serve a beneficial public purpose that would be harmed by the City requiring the payment of such fees, such as low income housing projects.” Pursuant to Section 11-13-4(A) of the Municipal Code, the City Council can waive impact fees for construction of affordable housing up to \$5,000 per unit.

SECTION 8. CALCULATION OF MINIMUM AFFORDABLE HOUSING REQUIREMENTS

A. Residential Development.

For projects where units are offered for sale or rent, the Developer shall provide affordable housing units in an amount equal to fifteen percent (15%) of the total residential units constructed. Affordable units developed on-site in fulfillment of this requirement are not included in the density calculation for the project.

RESIDENTIAL GENERATION CALCULATION EXAMPLE

An Applicant has received approval for a 128 unit Master Planned Development.

1. 128 units (total units approved) multiplied by .15 (residential mitigation rate) equals 19.2 Affordable Unit Equivalents.
2. One Affordable Unit Equivalent is 900 square feet of net livable space.
3. The total approved units for this MPD is 128 market rate units plus 19.2 affordable unit equivalents.

B. Commercial Development

The Developer shall be required to mitigate 20 percent of the employees generated. For projects with a commercial component, the minimum affordable housing requirements shall be determined according to the following formulas:

Table 1: Employee Generation by Type of Use.

Type of Use	Full Time Equivalents (2080 hours) per 1,000 net leasable square feet
Restaurant/Bar	6.5
Education	2.3
Finance/Banking	3.3
Medical Profession	2.9
Other professional services	3.7
Personal services	1.3
Real Estate/Property management	5.9
Commercial/Retail	3.3
Recreation/amusements	5.3
Utilities	2.9
Lodging/hotel	0.6/room
Condominium Hotel	Greater of lodging/hotel calculation or residential mitigation rate
Overall/General	4.4

The Overall/General Type of Use shall apply to any use not listed in the Employee Generation Table if an Independent Calculation is not performed.

EMPLOYEE GENERATION CALCULATION EXAMPLE

An application for a Master Planned Development of 20,000 square feet of commercial space and 100 hotel rooms has been submitted. The commercial uses include:

- 10,000 square feet of retail space
- 5,000 square feet of restaurant/bar space
- 5,000 square feet of professional services

1. Using the above Employee Generation Table, the project will generate 114 employees.

- *Retail* at 3.3 employees per 1,000 square feet equals 33 employees
- *Restaurant/Bar* at 6.5 employees per 1,000 square feet equals 32.5 employees
- *Professional Services* at 3.7 employees per 1,000 square feet equals 18.5 employees
- *Hotel* at .6 employees per unit equals 60 employees.

2. 114 (total number of employees) multiplied by .20 (mitigation rate) equals 22.8 employees.

3. 22.8 employees divided by 1.5 (workers per household) equals 15.2 employee unit equivalents required.

4. 15.2 employees is equivalent to 9.6 Affordable Unit Equivalents configured as two-bedroom, 900 net livable square foot units.

5. The Developer is required to provide 9.6 Affordable Unit Equivalents in addition to approved commercial and hotel density.

C. Reduction of Employee Generation for Institutional/Nonprofit Use. The City Council may reduce the base employee generation rate by up to fifty percent for uses that are "non-commercial or non-residential in nature, which provide educational, social or related services to the community and which are proposed by public agencies, nonprofit agencies, foundations and other similar organizations" upon finding that the benefits/impacts of such Development as they relate to other general plan goals and/or action items outweigh the housing impacts.

D. Independent Calculation. An applicant may submit an independent calculation of the number of employees to be generated by a proposed development, to be used in place of the Employee Generation Table. The independent calculation shall be accepted by the City Council if the Council determines the calculation constitutes compelling evidence of a more accurate calculation of employee generation than Table 1: Employee Generation Table. Should the independent calculation not be accepted, then the applicable employee generation factor from the Employee Generation Table

shall be applied to the proposed Development. Any acceptance of an Independent Calculation shall be site and use specific, non-transferable and be memorialized in a Development Agreement between the property owner and the City. Such Agreement shall be executed prior to the issuance of any building permit.

E. Redevelopment: Additions and Conversions of Use. Redevelopment or remodeling in an existing use or the change in use from one use to another is exempt from the requirements of this Resolution, provided such activity does not create additional employment generation as determined in *Table 1: Employee Generation by Type of Use*. Only the uses and areas that existed prior to the redevelopment or remodeling shall be exempt from the requirements of this Resolution. Any new area or unit or any change in use which creates additional Employee Generation as determined in *Table 1: Employee Generation by Type of Use* shall be subject to this provisions of this Resolution. Mitigation shall be required for the employees generated by the proposed total square footage (including addition) minus the employment generation of the total structure. If the developer converts one land use to another with higher employment generation rates, the mitigation will be based on the increase in FTEs. For example, a conversion of a 1,000 sq. ft. retail establishment with an employee generation rate of 3.3 FTEs per 1,000 square feet to a private club with a generation rate of 6.5 FTEs per 1,000 square feet results in a net increase in 3.2 FTE and would require additional mitigation.

F. Final Unit Requirement Calculations. The final calculations for the number of inclusionary units and the rental or sales price for these units shall be made prior to the issuance of building permits for the covered project.

SECTION 9. METHODS OF HOUSING REQUIREMENT COMPLIANCE

A. Size and Design Standards for Affordable Housing Units

1. Unit Types: The distribution of dwelling unit types that meet the deed restricted affordable unit requirements of this section shall be as follows:

- **Single Family:** In single family detached dwelling unit developments, the required on-site permanently affordable units shall also be single family detached units.
- **Mixed Unit Type:** In developments where there is a mix of two or more unit types: single-family detached units, attached units, multi-family apartment units, or other dwelling unit types, the required on-site deed restricted units shall be comprised of the different unit types in the same proportion as the market rate dwelling units within the development.
- **Alternative Distribution Ratios:** Different unit distribution among the deed restricted affordable unit types may be permitted if doing so would accomplish additional benefits or result in a better design than not using the distribution of units provided for in this section.

2. Minimum Sizes for Deed Restricted Units: In order to assure livability, the net livable square footage for affordable units shall be as follows:

Dormitory	150 square feet
Single Room Occupancy	275 square feet
Studio	400 square feet
One Bedroom	650 square feet
Two Bedroom	900 square feet
Three Bedroom	1,150 square feet
Four Bedroom	1,400 square feet

The Planning Department prior to the issuance of any building permits for either the free market or employee housing component of the project must verify square footage. The Building Department may check the actual construction of the employee housing units for compliance with the approved building permit plans.

3. Winter Seasonal Units. Pursuant to the applicable City codes, an applicant for a development may, at the sole discretion of the City and subject to certain requirements, satisfy the employee housing requirements by provision of dormitory/lodge units designed for occupancy by seasonal employees. The dormitory/lodge units must satisfy all requirements of the applicable Guidelines and shall be required to meet the following minimum standards:

- Occupancy of a dormitory unit shall be limited to no more than 8 persons.
- There shall be at least 150 square feet of net livable square footage per person, including sleeping and bathroom uses.
- At least one bathroom shall be provided for shared use by no more than four persons. The bathroom shall contain at least one toilet, one wash basin, one bathtub with a shower and a total area of at least 60 net livable square feet.
- A kitchen facility or access to a common kitchen or common eating facility shall be provided subject to the Building Department's approval and determination that the facilities are adequate in size to service the number of people using the facility.
- Use of 20 net leasable square feet per person of enclosed storage area located within, or adjacent to, the unit.
- Rents for dormitory units will be set by Special Review on a case-by-case basis, given the unique and varying characteristics of dormitory units, with affordability as the key issue.
- Seasonal Lodge Developments may be required to house qualified employees of the community at large.

4. Special Needs Emergency/Transitional Housing. Pursuant to the applicable City codes, an applicant for a development may, at the sole discretion of the City and subject to certain requirements, satisfy a portion of its employee housing requirements by provision of special needs emergency/ transitional housing units through either direct construction, land donation or the donation of existing units. There must be a quantified, demonstrated need for the emergency/transitional housing within the Park City boundaries. The housing must be developed in

collaboration with a federally recognized, 501(c)(3) nonprofit organization. The housing must satisfy all requirements of the applicable Housing Guidelines and Standards as well as comply with all applicable local, state and federal requirements. Given the unique and varying characteristics of the population to be served, the rents for emergency/transitional housing must be approved in advance by the City Council.

5. Minimum Green Building Requirements. All new construction or substantial rehabilitation projects developed in fulfillment of the affordable housing obligation must demonstrate that it meets, at minimum, LEED Certified level. All appliances and products including light bulbs shall be Energy Star qualified products for all new construction or substantial rehabilitation.

6. Affordable Unit Amenities. Inclusionary units may differ from the market units with regard to interior amenities and gross floor area provided that:

- These differences, excluding differences related to size differentials are not apparent in the general exterior appearances of the project's units; and
- These differences do not include insulation, windows, heating systems and other improvements related to the energy efficiency of the project's units.
- The gross floor area of the inclusionary units is not less than the following minimum requirements, unless waived by the City.

B. Methods of Meeting Minimum Requirements.

The following methods, in order of priority, may be used to meet the minimum affordable housing mitigation requirements.

1. Construction of unit(s) on the site on which the development is proposed.

Affordable housing units shall be constructed on the project site, unless the developer can demonstrate compelling evidence that an alternative method would result in a better design, enhanced level of affordability or that the construction on-site would adversely affect the design of the project.

2. Construction of the unit(s) within the Park City corporate limits provided such land, site or structure had not been previously deed-restricted to affordable housing by Park City or Summit County.

3. Dedication of existing units provided such units have not been previously restricted to employee or affordable housing by Park City or Summit County. Units shall be located within the City limits unless otherwise approved by the City. Units must be of equivalent value, quality and size of the deed restricted units that would have been constructed on-site. Existing units must be in move-in condition with appliances, windows, heating, plumbing, electrical systems, fixtures and equipment in good working condition. The value of dedicated existing units will be determined, at the expense of the developer, by an appraiser selected by the developer from a list of certified appraisers provide by the City of by such alternative means of valuation as to which a developer and

the City may agree. All units shall be inspected and shall meet applicable Park City building codes and state habitability standards, as applicable. Applicant shall bear the costs and expenses of any required upgrades to meet the above standards as well as any reports required to assess the suitability for occupancy and compliance with the standards of the proposed units. All appliances and products including light bulbs shall be Energy Star qualified products.

4. ***Construction of units outside Park City, but within the Park City School District boundary and/or the boundaries of the free transit system.***
5. ***Conveyance of land within the Park City School District boundary and/or the boundaries of the free transit system provided such land has not been previously restricted to employee or affordable housing by Park City or Summit County.*** The developer may elect to (a) convey land to the City or its designee that is of equivalent value to the cash in lieu contributions that would be required under this Resolution, plus an additional 25 percent to cover costs associated with holding, developing, improving or conveying such land; or (b) convey land to the City or its designee that is of equivalent value (as of the date of conveyance) to that land upon which required units would otherwise have been constructed and properly zoned such as to allow construction of at least that number of units for which the obligation of construction is being satisfied by the dedication of the land. Land conveyance shall occur prior to the issuance of any building permit for the free market portion of the development. Should the City Council later elect to sell the land, all proceeds from the sale of the land shall be placed in a dedicated housing fund.
6. ***Payment of Fees in Lieu of Development.*** If the City determines that (1) no other alternative is feasible, or (2) such a payment would result in more immediate development of housing or (3) such a payment would leverage additional resources, then a Payment of Fees in Lieu of Development may be accepted. The Payment in Lieu Fee for 2007 is \$160,553. The fees shall be reviewed and updated at least biennially. Updates may occur more frequently at the request of the City Council to reflect changing real estate conditions. The funds, and any interest accrued, shall be used only for the purpose of planning for, subsidizing or developing affordable and employee housing.

One-half of the in-lieu fee shall be paid (or a letter of credit posted) prior to issuance of a building permit for all or any part of the MPD. The remainder of the fee shall be paid before a certificate of occupancy (temporary or permanent) is issued for any unit in the Residential Development. The remaining fee will be calculated at the in lieu fee rate in effect at the time of payment. The Developer retains the option of paying the fees in full at time of building permit to avoid any increase in fees.

SECTION 10. DEED RESTRICTION. Prior to the plat recordation provisions to ensure continued affordability of inclusionary units shall be embodied in legally binding

agreements and/or deed restrictions, which shall be prepared by the developer, but which shall not be recorded or filed until reviewed and approved by the City Attorney with such modifications as it may deem necessary to carryout the purpose of this Resolution. No building permit application shall be accepted in the absence of proof of the execution of requirement agreements and covenants. In the event such restrictions are voided by bankruptcy or other legal action, the City may revoke the Certificate(s) of Occupancy until such time as subsequent owner complies with the standards herein.

SECTION 11. TIMING OF OCCUPANCY. The affordable units shall be ready for occupancy no later than the date of the initial or temporary occupancy of the free market portion of the project. If the free market units are to be developed in phases, then the affordable housing can be developed in proportion to the phasing of the free market units as approved in the Housing Mitigation plan.

SECTION 12. APPLICABILITY OF RESOLUTION TO PRIOR APPROVALS OR PENDING APPLICATIONS.

A. Prior Development Agreements. Developments, which received development plan approvals prior to the adoption of this housing resolution, shall conform to the provisions of the resolution in place at the time of applicable complete application. Any modifications to an existing Development Agreement that results in an increase in housing units or employee generation shall be subject to the provisions of this Resolution.

B. Prior Annexation. Unless otherwise provided in Conditions of Approval or a Development Agreement, Developments subject to affordable housing requirements imposed by annexation agreements entered into prior to the effective date of this Resolution may develop in conformity with the Resolution in place at the time the Annexation Agreement was approved.

C. Pending Project Approval Actions. Developments for which complete applications were filed prior to the effective date of this Resolution, but have not been reviewed by the appropriate body, must conform to the Resolution in place at time of application.

SECTION 13. HOUSING MITIGATION PLAN. The Applicant shall submit a Housing Mitigation Plan. The Housing Mitigation Plan shall be reviewed by the Planning Commission as part of the application to the City for the Annexations or Master Planned Development with a recommendation forwarded to the City Council. The Housing Mitigation Plan shall include the following:

A. Calculation and Method. The calculation of, and method by which housing is to be provided, in compliance with Section 6 "Calculation of Minimum Affordable Housing Requirement" and Section 7 "Method for Providing Housing"

B. Unit Descriptions. If affordable housing units are to be developed, a site plan and building floor plans (if applicable), illustrating the number of units proposed, their location, the number of bedrooms in and square foot of each unit, and the rental/sale mix of the development. The proposed sale prices and rent levels shall also be included.

SECTION 14. CONSTRUCTION TIMING. Affordable units shall be made available for occupancy on approximately the same schedule as a project's market units; except that Certificates of Occupancy (temporary or permanent) for the last ten percent of the market units shall be withheld until Certificates of Occupancy have been issued for all of the inclusionary units. Other phasing agreements may be accepted, if doing so would accomplish additional benefits for the City consistent with the purposes of this Resolution. A schedule setting forth the phasing of the total number of units in a covered project, along with a schedule setting forth the phasing of the required inclusionary units shall be approved prior to the issuance of a building permit.

SECTION 15. GOOD FAITH MARKETING REQUIRED. All sellers or owners of deed restricted affordable units shall engage in good faith marketing efforts each time a deed restricted unit is rented or sold such that members of the public who are qualified to rent or purchase such units have a fair chance of becoming informed of the availability of such units. A public marketing plan shall be submitted by the developer for the initial sale or lease of the units.

SECTION 16. LOCAL PREFERENCE OPTION. The Park City area is defined as the Park City School District limits. The following target groups should be given priority in any deed restricted affordable housing project.

- Full time (30 hours of employment per week) employees of businesses located in the City limits.
- A resident of the City for the prior 24 months.
- An owner or owner's representative of a business within the City limits.
- Senior Citizens
- Physically and/or mentally challenged individuals.

SECTION 17. MAXIMUM RENTS AND SALES PRICES. The following provision shall apply to the calculation of rents, selling prices and/or carrying charges of deed restricted affordable units.

A. Occupancy. In calculating the rents or carrying charges of inclusionary units, the following relationship between unit size and household size shall apply:

Dormitory/Single Room Occupancy:	1 person per 150 net livable square feet.
Studio/Efficiency:	1 person per household
One-bedroom:	1.5 person household
Two-bedrooms:	2.5 person household
Three-bedroom:	4 person household
Four-bedroom:	6 person household.

B. Rental Units. Inclusionary rental units in any one development shall be rented at a price, which, on average, is affordable to a household with an annual income of 100% of the Park City Workforce Wage.

C. For Sale Units. The initial sales prices for affordable units in any one development shall average a price affordable to a household earning 150 percent of the Workforce Housing Wage for Park City according to the following guidelines.

- a. An available fixed-rate thirty year mortgage, consistent with the First Time Homebuyer Rate offered by the Utah Housing Corporation, plus 50 basis points. A lower rate may be used in calculating affordable prices if the developer can guarantee the availability of a fixed rate, 30-year mortgage at this lower rate for all of the inclusionary units.
- b. A down payment of no more than 5 percent of the purchase price
- c. A calculation of property taxes; and
- d. A calculation of homeowner insurance and/or homeowner association fees.

D. Appreciation Limits. Provisions to ensure continued affordability of inclusionary units offered for sale shall include a formula limiting equity appreciation to either a shared percentage of the equity appreciation or a cap on the equity appreciation, with such adjustments for improvements made by the seller and necessary costs of sale as may be approved by the City. The form of the resale restriction shall be determined by the City at the time of approval of the Housing Mitigation Plan.

E. Limitation on Rental Rates and Terms. The rate at which the Owner shall rent the Units shall not exceed the Maximum Rent. The Maximum Rent shall be adjusted on January 1 of each year by the annual percentage increase in the Consumer Price Index for the western region using a base year of 2006. Unless otherwise approved, the minimum lease term shall be six months.

F. Income Limits. The City reserves the right to place an income/asset limitation for prospective owners or renters as needed to further the goals of this Resolution.

SECTION 18. TERM OF AFFORDABILITY. The Term of Affordability shall be for a period of not less than forty (40) years. At the expiration of the initial forty (40) year term, this Agreement shall be reviewed for additional consecutive ten (10) year terms, unless the City shall determine, based an independent housing needs assessment, that the Unit is no longer necessary to satisfy the affordable/employee housing needs in Park City.

SECTION 19. WAIVERS. The City Council may waive all or part of the requirements of this Resolution in exchange for enhanced project affordability or livability including but not limited to the incorporation of sustainable building practices and systems in the unit design and development.

SECTION 20. ADMINISTRATIVE RELIEF. The City Council may waive all or part of the requirements of this Resolution where the applicant can establish by clear and

convincing financial data and other evidence relating to the character of the development or surroundings that the imposition of the requirements set forth in this article shall create an economic hardship. The Council shall use the same standards that it applies to historic properties in making a determination of economic hardship. A waiver under this section shall be granted only to the extent necessary to relieve the hardship or difficulty that serves as the basis for the requested waiver and shall not be considered precedent for future requests for administrative relief.

SECTION 21. SEVERABILITY. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate distinct and independent provision and such holding shall not affect the validity of the remaining portions of the Resolution.

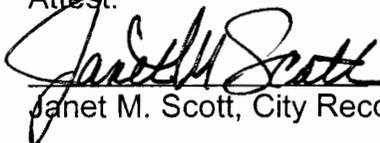
SECTION 22. EFFECTIVE DATE. This Resolution shall take effect upon adoption by the City Council. All prior Housing Resolutions and parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed. This Resolution repeals and replaces all prior housing resolutions including Resolutions s 37-91, 8-93, 6-94, 7-95, 17-99 and 10-2006.

PASSED AND ADOPTED this 12th day of July 2007.

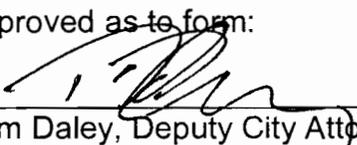
PARK CITY MUNICIPAL CORPORATION


Mayor Dana Williams

Attest:


Janet M. Scott, City Recorder

Approved as to form:


Tom Daley, Deputy City Attorney



Chapter 23

COMMERCIAL LINKAGE

12-23-1: PURPOSE AND APPLICABILITY:

- A. The purpose of this chapter is to ensure that new commercial development and redevelopment in the town provide for a reasonable amount of employee housing to mitigate the impact on employee housing caused by such commercial development and redevelopment.
- B. Except as provided in section [12-23-5](#) of this chapter, this chapter shall apply to all new commercial development and redevelopment located within the following zone districts:
1. High density multiple-family (HDMF);
 2. Public accommodation (PA);
 3. Public accommodation 2 (PA-2);
 4. Commercial core 1 (CC1);
 5. Commercial core 2 (CC2);
 6. Commercial core 3 (CC3);
 7. Commercial service center (CSC);
 8. Arterial business (ABD);
 9. General use (GU);
 10. Heavy service (HS);
 11. Lionshead mixed use 1 (LMU-1);
 12. Lionshead mixed use 2 (LMU-2);
 13. Ski base/recreation (SBR);
 14. Ski base/recreation 2 (SBR2);
 15. Parking district (P); and
 16. Special development (SDD).
- C. The requirements of this chapter shall be in addition to all other requirements of this code.

- D. When any provision of this chapter conflicts with any other provision of this code, the provision of this chapter shall control. (Ord. 1(2008) § 24)

12-23-2: EMPLOYEE GENERATION AND MITIGATION RATES:

- A. The employee generation rates found in table 23-1, "Employee Generation Rates By Type Of Commercial Use", of this section, shall be applied to each type of use in a commercial development. For any use not listed, the administrator shall determine the applicable employee generation rate by consulting the town's current nexus study.

TABLE 23-1
EMPLOYEE GENERATION RATES
BY TYPE OF COMMERCIAL USE

Type Of Use	Employee Generation Rate
Accommodation unit/ limited service lodge unit	0.7 employee per net new units
Business office and professional office (excluding real estate office)	3.2 employees per 1,000 feet of new net floor area
Conference facility	0.8 employee per 1,000 feet of new net floor area
Eating and drinking establishment	6.75 employees per 1,000 feet of new net floor area
Health club	0.96 employee per 1,000 feet of new net floor area
Real estate office	5.1 employees per 1,000 feet of new net floor area
Retail store/personal service/repair shop	2.4 employees per 1,000 feet of new net floor area
Spa	2.1 employees per 1,000 feet of new net floor area

- B. If an applicant submits competent evidence that the employee generation rates contained in table 23-1 of this section or the nexus study do not accurately reflect the number of employees generated by the proposed commercial development or redevelopment and the administrator finds that such evidence warrants a deviation from those employee generation rates, the administrator shall allow for such a deviation as the administrator deems appropriate.
- C. Each commercial development or redevelopment shall mitigate its impact on employee housing by providing EHUs for twenty percent (20%) of the employees generated, pursuant to table 23-1 of this section, or the nexus study, in accordance with the requirements of this chapter.

For example, for a development proposing two thousand five hundred (2,500) square feet of new net floor area for an eating and drinking establishment, the equation would be as follows:

$$[(2,500 \text{ square feet} \div 1,000 \text{ square feet}] \times [6.75] = 16.875 \text{ new employees generated}$$

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16.875 new employees generated x 20% = 3.375 employees to be housed
(Ord. 1(2008) § 24)

12-23-3: SIZE AND BUILDING REQUIREMENTS:

A. Table 23-2, "Size Of Employee Housing Units", of this section, establishes the minimum size of EHUs and the number of employees that can be housed in each. All EHUs shall meet or exceed the minimum size requirements.

TABLE 23-2
SIZE OF EMPLOYEE HOUSING UNITS

Type Of Unit	Minimum Size (GRFA)	Number Of Employees Housed
Dormitory	250	1
Studio	438	1.25
1 bedroom	613	1.75
2 bedroom	788	2.25
3 or more bedroom	1,225	3.5

B. Every EHU shall contain a kitchen facility or kitchenette and a bathroom.

C. All trash facilities shall be enclosed.

D. Parking shall be provided in accordance with [chapter 10](#) of this title.

1. Exception For On Site Units: At the discretion of the applicable governing body, variations to the parking standards outlined in [chapter 10](#) of this title may be approved during the review of an employee housing plan subject to a parking management plan. The parking management plan may be approved by the applicable governing body and may provide for a reduction in the parking requirements for on site units based on a demonstrated need for fewer parking spaces than [chapter 10](#) of this title would require. For example, a demonstrated need for a reduction in the required parking could include:

- a. Proximity or availability of alternative modes of transportation including, but not limited to, public transit or shuttle services.
- b. A limitation placed in the deed restrictions limiting the number of cars for each unit.
- c. A demonstrated permanent program including, but not limited to, rideshare programs,

share programs, shuttle service, or staggered work shifts.

- E. Each EHU shall have its own entrance. There shall be no interior access from any EHU to any dwelling unit to which it may be attached. (Ord. 1(2008) § 24)

12-23-4: REDEVELOPMENT:

Employee housing impacts need only be mitigated for a redevelopment that results in a greater number of employees generated from an increase in net floor area, or an increase in the number of accommodation units or limited service lodge units in the redevelopment; provided however, that if any existing EHUs are to be removed, an equal amount of EHUs shall be replaced in addition to the other requirements of this chapter. (Ord. 1(2008) § 24)

12-23-5: EXEMPTIONS:

The following shall be exempt from this chapter:

- A. The redevelopment of existing commercial development, if no new net floor area, accommodation units, or limited service lodge units are created; and
- B. The construction of EHUs. (Ord. 1(2008) § 24)

12-23-6: METHODS OF MITIGATION:

- A. For all new construction (i.e., development that does not affect any existing buildings or structures) and demo/rebuild projects that result in a mitigation requirement of 1.25 employees or greater, no less than one-half ($1/2$) the mitigation of employee housing required by this chapter shall be accomplished with on site units.
1. Exceptions: At the sole discretion of the applicable governing body, an exception may be granted from this subsection based upon one of the following findings:
 - a. Implementation of the on site unit mitigation method would be contrary to the intent and purpose of the applicable zone district.
 - b. Implementation of the on site unit mitigation method would be contrary to the goals of the applicable elements of the Vail comprehensive plan and the town's development objectives.
 - c. Exceptional or extraordinary circumstances or conditions apply to the site that prevents the implementation of the on site unit mitigation method.

- d. The method of mitigation proposed better achieves the intent and purpose of this chapter and general and specific purposes of this title than the on site mitigation unit method.
2. On Site EHUs: All on site EHUs shall be deed restricted as a "type IV-CL" (type four, commercial linkage mitigation) or "type VII-CL" (type seven, commercial linkage mitigation) EHU in accordance with [chapter 13](#), "Employee Housing", of this title.
 3. On Site Dormitory Style Units: At the sole discretion of the applicable governing body, an applicant may provide on site dormitory style units.
 4. Fees In Lieu: An applicant may provide a payment of fees in lieu for any fractional remainder of the requirement generated under this chapter totaling less than 1.25 employees.
 5. Remaining Portion Of Requirement: Any remaining portion of the mitigation requirement not provided with on site units may be provided in accordance with subsection B of this section.
- B. For all development projects except those mitigated by subsection A of this section, the mitigation of employee housing required by this chapter shall be accomplished through one, or any combination, of the methods further described in this section. Unless otherwise regulated by this title, the choice of method(s) used to mitigate the employee housing requirements of this chapter shall be at the sole discretion of the applicant.
1. On Site Units:
 - a. All on site EHUs shall be deed restricted as a "type IV-CL" (type four, commercial linkage mitigation) or "type VII-CL" (type seven, commercial linkage mitigation) EHU in accordance with [chapter 13](#), "Employee Housing", of this title.
 - b. At the sole discretion of the applicable governing body, an applicant may provide on site dormitory style units.
 2. Conveyance Of Property On Site: An applicant may convey on site real property to the town on which no covenants, restrictions or issues exist that would limit the construction of EHUs, at the sole discretion of the town council. This method does not mitigate the on site unit requirements of subsection A of this section.
 3. Off Site Units:
 - a. The requisite number of EHUs, or a portion thereof, may be provided off site within the town, provided that such EHUs are deed restricted in accordance with this chapter.
 - b. At the sole discretion of the planning and environmental commission, an applicant may provide off site dormitory units, unless the application is for a special development district, in which case, the town council, in its sole discretion, may accept dormitory units as a method of mitigation.
 4. Payment Of Fees In Lieu:
 - a. The fee in lieu for each employee to be housed shall be established annually by resolution of the town council, provided that, in calculating that fee, the town council shall include the net cost (total cost less the amount covered by rental or sale income) of real property and all

related planning, design, site development, legal, construction and construction management costs of the project, in current dollars, which would be incurred by the town to provide housing for the employee to be housed in that year.

b. An administrative fee, established by resolution of the town council, shall be added to the amount set forth in subsection B4a of this section.

c. Fees in lieu shall be due and payable prior to the issuance of a building permit for the development.

d. The town shall only use monies collected from fees in lieu to provide new employee housing.

5. Conveyance Of Property Off Site: The town council may, at its sole discretion, accept the conveyance of property off site in lieu of requiring the provision of EHUs, provided that no covenants, restrictions or issues exist on such property that would limit the construction of EHUs. (Ord. 1(2008) § 24)

12-23-7: MITIGATION BANK:

A. The town will provide credit for any EHUs constructed on site, constructed off site, or otherwise acquired in anticipation of future commercial development or redevelopment, provided that those EHUs meet all applicable requirements of this title. However, the construction or acquisition of EHUs in anticipation of future development is at the sole risk of the applicant, because the commercial development shall be subject to all regulations pertaining to EHUs which are in effect at the time the application for commercial development review is submitted to the town, even if those regulations change after the EHUs are constructed.

B. It shall be the applicant's responsibility to provide documentation of any existing EHU credit upon submission of an application for development review. If the applicant cannot adequately document such credits, the town shall not be obligated to provide such credit. (Ord. 1(2008) § 24)

12-23-8: ADMINISTRATION:

A. Employee Housing Plan: Each application for development review, except those exempt pursuant to section [12-23-5](#) of this chapter, shall include an employee housing plan which includes the following:

1. Calculation Method: The calculation of employee generation, including credits if applicable, and the mitigation method by which the applicant proposes to meet the requirements of this chapter;

2. Plans: A dimensioned site plan and architectural floor plan that demonstrates compliance with section [12-23-3](#), "Size And Building Requirements", of this chapter;

3. Lot Size: The average lot size of the proposed EHUs and the average lot size of other dwelling

units in the commercial development or redevelopment, if any;

4. Schedules: A time line for the provision of any off site EHUs;

5. Off Site Units: A proposal for the provision of any off site EHUs shall include a brief statement explaining the basis of the proposal;

6. Off Site Conveyance Request: A request for an off site conveyance shall include a brief statement explaining the basis for the request;

7. Fees In Lieu: A proposal to pay fees in lieu shall include a brief statement explaining the basis of the proposal; and

8. Written Narrative: A written narrative explaining how the employee housing plan meets the purposes of this chapter and complies with the town's comprehensive plan.

B. Review:

1. The administrator shall approve, approve with modifications or deny an employee housing plan involving a total mitigation requirement of less than 1.25 employees.

2. The planning and environmental commission shall approve, approve with modifications or deny an employee housing plan unless the plan involves a total mitigation requirement of less than 1.25 employees; the development is located within a special development district; or the plan includes a request to convey property.

3. The town council shall approve, approve with modifications or deny an employee housing plan for a development located within a special development district or a plan requesting to convey property.

4. Before granting approval of an employee housing plan, the applicable governing body shall make findings that the employee housing plan conforms to the general and specific purposes of this title, and that the plan is compatible with the applicable elements of the Vail comprehensive plan and the development objectives of the town.

C. Housing Plan Modification: If modifications to a submitted application for development review changes the obligations of the applicant under this chapter, the applicant shall submit a modified employee housing plan. A modification to an employee housing plan shall be reviewed by the body that reviewed the initial employee housing plan, in accordance with the provisions of this chapter.

D. Approved Housing Plan: An approved employee housing plan shall become part of the approved application for development review for the affected site.

E. Amendment Requests: Requests to amend an approved employee housing plan shall be reviewed in accordance with the procedures described in this chapter. At the discretion of the administrator, minor amendments that do not alter the basic intent or methodology of the plan may be approved, or approved with modifications, or denied by the administrator. (Ord. 1(2008) § 24)

12-23-9: OCCUPANCY AND DEED RESTRICTIONS:

- A. No EHU shall be subdivided or divided into any form of timeshare unit or fractional fee club unit.
- B. EHUs shall not be leased for a period less than thirty (30) consecutive days.
- C. An EHU may be sold or transferred as a separate unit on the site.
- D. An EHU shall be continuously occupied by an employee and shall not remain vacant for a period in excess of three (3) consecutive months unless, despite reasonable and documented efforts to occupy the EHU, efforts are unsuccessful.
- E. No later than February 1 of each year, the owner of an EHU shall submit a sworn affidavit on a form provided by the town to the town of Vail community development department containing the following information:
 - 1. Evidence to establish that the EHU has been occupied throughout the year by an employee;
 - 2. The rental rate (unless owner occupied);
 - 3. The employee's employer; and
 - 4. Evidence to demonstrate that at least one person residing in the EHU is an employee. (Ord. 1 (2008) § 24)

12-23-10: TIMING:

All EHUs required by this chapter shall be ready for occupancy prior to the issuance of a temporary certificate of occupancy for the affected commercial development or redevelopment. (Ord. 1(2008) § 24)

12-23-11: VARIANCES:

Variations from the requirements of this chapter may be granted pursuant to the procedures and standards set forth in [chapter 17](#) of this title. (Ord. 1(2008) § 24)

12-23-12: REVIEW:

- A. Purpose: The town council intends that the application of this chapter not result in an unlawful taking of private property without the payment of just compensation, and therefore, the town council adopts the review procedures set forth in this section.
- B. Planning And Environmental Commission Review: Any applicant for commercial development who feels that the application of this chapter would effect an unlawful taking may apply to the planning and environmental commission for an adjustment of the requirements imposed by this chapter. If the planning and environmental commission determines that the application of this chapter would result in an unlawful taking of private property without just compensation, the planning and environmental commission may alter, lessen, or adjust employee housing requirements as applied to the particular project under consideration to ensure that there is no unlawful uncompensated taking.
- C. Town Council Review: If the planning and environmental commission denies the relief sought by an applicant, the applicant may request a hearing before the town council. Such hearing shall be a quasi-judicial hearing and conducted according to the town's rules and regulations regarding quasi-judicial hearings. At such hearing, the burden of proof shall be on the applicant to establish that the fulfillment of the requirements of this chapter would effect an unconstitutional taking without just compensation pursuant to applicable law. If the town council determines that the application of this chapter would effect an illegal taking without just compensation, the town council may alter, lessen, or adjust the employee housing requirements as applied to the particular project under consideration to ensure that no illegal uncompensated taking occurs. The decision of the town council shall be final, subject only to judicial review. (Ord. 1(2008) § 24)