

December 12, 2008

Emailed and Hand Delivered
Phyllis McDonough Roberson,
Community and Public Affairs Manager
Park City Municipal Corporation
1354 Park Avenue
P.O. Box 1480
Park City, Utah 84060-1480

Re: Employee Housing Contribution

Dear Phyllis,

Pursuant to the October 28th, 2008 meeting with you, Mark Harrington, Katie Cattan, Pat Sweeney and Mike Sweeney this letter is being submitted to you to set forth the MPE's position with respect to its 1986 Sweeney Properties Master Plan approval as it pertains to employee housing. It also includes a proposal to contribute to employee housing.

MPE supports the principle of employee housing. Condition No. 10 of the Sweeney Properties Master Plan approved by the Planning Commission on December 18, 1985 and subsequently approved by the City Council on October 16, 1986 specifies that: "As projects are submitted for conditional use approval, the City shall review them for required employee housing in accordance with adopted ordinances in effect at the time of application (emphasis added)." And, in addition, in Section VI, Major Issues, Employee Housing, states: "At the time of conditional use approval, individual projects shall be reviewed for impacts on and the possible provision of employee housing in accordance with applicable city ordinance in effect (emphasis added)."

MPE understands that in 2006 Mr. Pat Putt, on behalf of the City, took the position that "adopted ordinances in effect at the time of application," meant that Resolution 17-99: "*Resolution Adopting Affordable Housing Guidelines and Standards for Park City, Utah*" would apply. Notwithstanding Mr. Putt's letter of June 7, 2006, we believe that the 1999 Resolution pertains to annexations into the City and master planned developments approved after the date of the Resolution. The filing of a conditional use permit "CUP" for a previously approved master planned development would not require compliance with this Resolution. Nonetheless, MPE is prepared to recommend, subject to an acceptable approval and development agreement, a financial contribution to employee housing utilizing the greater 2007 standards rather than the 1999 standards in the Resolution (**see proposal below**) to be located off site of Treasure Project boundaries or to negotiate for other substitutes acceptable to MPE and the other owners and approved by the City Council. Furthermore, MPE proposes that the Treasure Project will

incorporate a limited amount of “seasonal” employee housing on site provided such does not violate the Sweeney Properties Master Plan.

Employee Housing Contribution Proposal

1. Provide 4,000 net square feet of on-site dorm style seasonal employee housing on three levels with 150 square feet of net liveable space per person, without increasing the building footprint or height.
2. Propose to use the Affordable Housing Requirements per Resolution 2007 instead of Resolution 17-99 to calculate the number of affordable unit equivalents “UEs” (26.67 and 28.47 respectively), size of a unit equivalent (900 net square feet and 800 net square feet respectively), affordable square feet required (24,006 square feet and 22,775 square feet respectively) and the Buyout Price (\$3,569,093 and \$1,404,163 respectively). See table below for details of calculations. **These calculations are approximate and are based on the proposed units, unit type and other Treasure Project assumptions that are subject to CUP approval and ultimate buildout of Treasure.** This financial contribution to employee housing can be used to support Affordable/Employee Housing located off-site of the Treasure Project or for other substitutes acceptable to substitutes acceptable to MPE and the other owners and approved by the City Council.

This proposal is sensitive to the neighbors’ and Park City Planning Commission’s concerns with respect to traffic, density, height and massing of the Treasure Project and we believe complies with the Sweeney Properties Master Plan conditions of approval. Moreover it provides an increase of \$2,164,930 in the Buyout Price.

As always, I appreciate working with you.

Sincerely,

MPE, Inc.



Michael E. Sweeney,
Vice President

Mr. Putt's June 7, 2006 Letter

June 7, 2006

Mr. Patrick Sweeney
Mr. Michael Sweeney
Mr. Edward Sweeney
C/o MPE, Inc.
Post Office Box 2429
Park City, Utah 84060

RE: Treasure Hill Employee Housing Requirement

Dear M. Sweeney:

This letter is a follow-up to our meeting on Tuesday, May 30th where you requested the City's position regarding whether or not MPE, Inc. is required to provide employee housing mitigation as part of its' current Treasure Hill conditional use permit application.

Condition No. 10 of the Sweeney Properties Large Scale Master Planned Development approved by the Planning Commission on December 18, 1985 specifies that:

“As projects are submitted for conditional use approval, the City shall review them for required employee housing in accordance with adopted ordinances in effect at the time of application.”

This condition of approval leaves no room for ambiguity. You submitted a conditional use permit application to the City on January 26, 2004. Resolution 17-99: Resolution Adopting Affordable Housing Guidelines and Standards for Park City, Utah (which includes employee housing) is the affordable housing requirement in effect at the time you submitted your conditional use permit application. The City is currently in the process of reviewing your conditional use permit application.

It is my determination that Resolution 17-99 applies to the Treasure Hill conditional use permit application. I have been unable to find any documentation in my files that demonstrates the City has waived this administrative requirement. Furthermore, I have reviewed my determination with the City Attorney's office. The City Attorney concurs with my determination.

I will be happy to continue to work with you reviewing your revised/updated project plans, including strategies for providing the employee housing required under Condition No. 10.

Please feel free to contact me at (435) 615-5062 should you wish to discuss this matter in greater detail.

Sincerely,

Patrick J. Putt
Planning Director

cc: Mark Harrington, City Attorney
Polly Samuels McLean, Assistant City Attorney
Phyllis Robinson, Affordable Housing Project Manager

Treasure
Affordable Housing Requirements per Resolution 17-99

Employee Generation (commercial)	
Employees per 1,000 sf (Note 1)	2.90
Proposed Square Feet Commercial	19000.00
Total Employee Generation Projection	55.10
Workers per Household	1.30
Total worker households	42.38
Park City Mitigation Rate (Note 2)	0.20
Employee Mitigation Required	8.48
Subtotal: Affordable UEs (800 sq. feet) Required	4.24
Residential Development	
Proposed Residential Units	100
Park City Mitigation Rate	15%
Subtotal: Affordable UEs (800 sq. feet) Required	15
Employee Generation (commercial)	
Employees per hotel room	0.60
Proposed Number of Room	200.00
Total Employee Generation Projection	120.00
Workers per Household	1.30
Total worker households	92.31
Park City Mitigation Rate (Note 2)	0.20
Employee Mitigation Required	18.46
Subtotal: Affordable UEs (800 sq. feet) Required	9.23
Total: Affordable Square Feet Required	22,775.38

Treasure
Affordable Housing Requirements per Resolution 2007

Employee Generation (commercial)	
Employees per 1,000 sf (Note 1)	2.90
Proposed Square Feet Commercial	19000.00
Total Employee Generation Projection	55.10
Workers per Household	1.50
Total worker households	36.73
Park City Mitigation Rate	0.20
Employee Mitigation Required	7.35
Subtotal: Affordable UEs (900 sq. feet) Required	3.67
Residential Development	
Proposed Residential Units	100
Park City Mitigation Rate	15%
Subtotal: Affordable UEs (900 sq. feet) Required	15
Employee Generation (commercial)	
Employees per hotel room	0.60
Proposed Number of Room	200.00
Total Employee Generation Projection	120.00
Workers per Household	1.50
Total worker households	80.00
Park City Mitigation Rate	0.20
Employee Mitigation Required	16.00
Subtotal: Affordable UEs (900 sq. feet) Required	8.00
Total: Affordable Square Feet Required	24,006.00

Comments:

- 1) 17-99 has 1.3 workers per household while 2007 has 1.5 workers per household.
- 2) 17-99 base is 800 square feet and 2007 is 900 square feet.

Total estimated Buyout Price (excludes 4,000 sq. ft.)		
Resolution 17-99 Affordable UEs = 19.23 @ \$59,828		\$1,404,163
Resolution 2007 Affordable Ues = 18.56 @ \$160, 553		\$3,569,093
Increase in Buyout Price		<u>\$2,164,930</u>