



**DATE: February 15, 2018**

**TO HONORABLE MAYOR AND COUNCIL**

An agreement has been reached to purchase the entire Treasure Hill parcel from Sweeney Land Company, LLC and Park City II, LLC.

**Respectfully:**

Michelle Kellogg, City Recorder

# City Council Mayor/Staff Report



**Author:** Mayor Andy Beerman  
Matt Dias, Asst. City Manager  
Mark Harrington, City Attorney  
Nate Rockwood, Capital Budget, Debt, & Grants Manager

**Subject:** Treasure Hill Purchase and Sale/Settlement Agreements

**Date:** February 12, 2018

**Type of Item:** Property Acquisition and Settlement

## Summary Recommendations

The Mayor and staff recommend that the City Council: a) evaluate the proposed terms of the potential 100% property acquisition and settlement of the Treasure Hill/Sweeney Master Plan Creole Gulch and Mid-Station parcels; b) discuss bond funding parameters and timing; c) conduct a public hearing; and d) approve the Purchase and Sale Agreement in the amount of \$64 Million dollars, including a Settlement Agreement.

## Background

A visual of the massing of the current Creole Gulch and Mid-Station 17.2 proposal, which exceeds over 900k of gross building area, is below:



The Sweeney Properties Master Plan (SPMP) was approved in 1986. The first phases of the project are approved and nearly built out. The final phase is the Creole Gulch and Mid-Station parcels. The Conditional Use Permit application for the Treasure Hill/SPMP Creole Gulch and Mid-Station parcels has been pending since 2004.

Within the current approved Sweeney Properties Master Plan, the maximum allowed unit equivalents (UE) for Creole Gulch and Mid-Station parcels included residential 197 UEs (1 residential UE = 2,000 square feet) and 19 commercial UEs at 1,000 square feet per UE, for a total of 216 UE's. All parking, affordable housing, accessory, meeting, or mechanical/gross square feet is additional and would have to be evaluated under the SMP and other applicable Land Management Code criteria. As summarized by staff analysis in the June 6, 2016 staff report linked below, the CUP proposal evolved and upon re-start of the review consisted of the following:

Hotel/Residential (net): 393,911 square feet  
Commons space & circulation (gross) 145,655 square feet  
Allotted Commercial (MPD UE's, gross) 18,863 square feet  
Support Commercial (gross) 33,412 square feet  
Meeting Space (gross) 16,127 square feet  
Accessory Space (gross) 70,372 square feet  
Parking (gross) 3,661 square feet  
**Subtotal 682,001 square feet**

*Underground/basement areas:*  
Parking (gross) 241,402 square feet  
Common Space & Circulation (gross) 27,555 square feet  
Accessory Space (gross) 65,929 square feet  
**Subtotal 334,886 square feet**

**Total 1,016,887 square feet**

The proposal included approximately 424 parking spaces.

### **2010-2014: Prior Negotiations- Pending Conditional Use Permit (CUP) Application**

On April 22, 2010, the City Council elected to appoint a hearing appeal panel as the appeal body for the pending Treasure Hill CUP application. This enabled the Council to explore other roles beyond the traditional regulatory/appeal role, including negotiating project goals beyond the framework of regulatory criteria, consideration and negotiation of sale and the purchase and/or transfer of density rights. Several public open houses and Planning Commission progress meetings were held as the City negotiated project alternatives, led by the Mayor and a Councilmember.

No agreement was reached and the owners re-initiated the review of their application. The Planning Commission began their most recent review of the project proposal in June 2016.

[Staff Report June 8, 2016](#)

The history, presentations and all documents regarding the pending CUP application may be found on the City website:

[The City's Treasure Conditional Use Project Webpage](#)

After over 18 months of revisions, the applicants submitted their final plan revisions (link below) which was nearing final review and action by the Planning Commission. The project gross total was reduced by applicant revisions but still exceeded 900k square feet.

[Treasure Final 17.2 Proposal](#)

### **December 2017: Mayors' Request to Consider 50% Option Project Alternative**

In December 2017, at the request of Mayor Jack Thomas and Mayor-Elect Andy Beerman, the Planning Commission voted to postpone final deliberations and a vote on the pending Conditional Use Permit for the final phase of the Sweeney Master Plan Creole Gulch and Mid-Station parcels in order to again allow the City Council and owners an opportunity to explore a project alternative.

Several meetings were held to evaluate the possibility of a re-designed project with 18 single family lots and a hotel utilizing 50% of the approved SPMP density and the City acquiring the other 50% of the density for \$30 Million. The purchase would be made with two payments: \$6M and \$24M, with the \$24M being subject to voter approval of a general obligation bond in November 2018. A deadline in mid-January was agreed to, but road re-design proved challenging and a new timeline for final action on a settlement proposal for the end of January was identified.

For the last staff analysis of the 50% option, see the staff presentation for January 24, 2018 by following the link below and click the first document titled "2018.01.24 PC Staff Presentation":

[1/24/18 Staff Report for 50% Option- Alternative C](#)

### **January 2018: 100% Buy-Out Break Through**

Last Wednesday, Mayor Andy Beerman and the owners of the "Treasure Hill Properties" discussed the status and timing deadline of the 50% option, as recently modified by final road alignment proposal. The parties acknowledged that while great progress had been accomplished, the re-design was not going to be completed within the timeline established to enable the 50% buyout and settlement to proceed.

Using the information obtained in the course of the prior negotiations and the 14 years of project review, the parties engaged in substantive discussion regarding a 100% buyout. As stated in last week's press release dated 1/14/18, this change is attributed to a dramatic shift in the willingness of the Sweeneys and their partner:

"Despite the best efforts of City staff, Planning Commission, and our technical experts, we were unable to meet the specificity and certainty that the public and City were requesting of our partnership," said property owner Elizabeth Rad. "Though we remain committed to returning to our project proposal if this 100-percent buyout attempt fails, we have reluctantly come to the table with something the community has long sought and, to be fair, we have resisted – a full buyout of our development."

## Analysis

### Purchase Price

Total Purchase and Settlement price: **\$64 Million Dollars**

Payment Terms: \$6 million non-refundable earnest money deposit/settlement payment upon execution of the Purchase and Settlement Agreements. \$58 million would be payable no later than April 1, 2019, contingent upon bond approval and issuance. The property is being sold "as is." If the general obligation bond is not issued and sold, the Settlement Agreement would govern and provide for City acquisition of 10% of the project density. As requested by both the Planning Commission and the sellers, if the project returns for a vote by the Planning Commission the process would re-commence where it left off in December as the Planning Commission was preparing for a vote by the end of the month. Accordingly, the City is agreeing to a maximum three meeting return for a decision by March, 2019. The City is also agreeing that any appeal will be heard and voted on within 6 months of the Planning Commission decision. The City will risk forfeiting the 10% density if those deadlines for decisions are not met. Since the applicant can already pull the 45 day rip cord for a decision under state law, the City does not feel the deadlines pose any additional burden but ensure continued good faith by both sides to expedite a decision on the longstanding project. The closing of the 10% density acquired by the City is timed with an approval of a 90% option with a deed restriction eliminating the 10% from the SMPD consistent with the LMC transfer of density rights ordinance. Nothing in the agreements limits the Planning Commission's authority or decision-making authority.

### Town Lift/Tram Agreements; PCMR & Sweeney Agreements

The parties have certain confidential agreements stemming back to the early 1980's which at a high level include commitments of linking Main Street to the PCMR resort base. The agreements address the cost-sharing of providing continued direct lift access to on-mountain bed base resulting from the Treasure Hill potential build-out; and relate back to ski improvements such as the Town Lift and Town Bridge. **The City and sellers have agreed to limit the assignment of those agreements narrowly as they apply to the Property for the ski access, PCMR ski run easements, and related changes Vail may elect to make on the Town Lift.** The agreements address the termination of what is referred to as the Section 6 Amendment which specified responsibilities regarding future lift improvements as such related to a minimum density build on the Treasure Hill Property, which will now be open space.

### Deed Restriction- Open Space; No Affordable Housing

While affordable housing options or reserving a parcel of the Property for future consideration of affordable housing was considered by Council previously, the purchase is now 100% open space, subject to rights of record, and a deed restriction.

### Easements

Secondary access easements for the benefit of Lots 3 and 4, Treasure Hill Subdivision Phase 1, and Lot 8, Treasure Hill Subdivision Phase 3 are proposed for the purpose of allowing limited construction and maintenance access. The impact of the new easements should be minimal but is still being reviewed. Such limited, seasonal use in conjunction with otherwise

permitted construction allows deliveries in a manner that minimizes impacts and is consistent with other old town streets.

### Settlement of All Claims

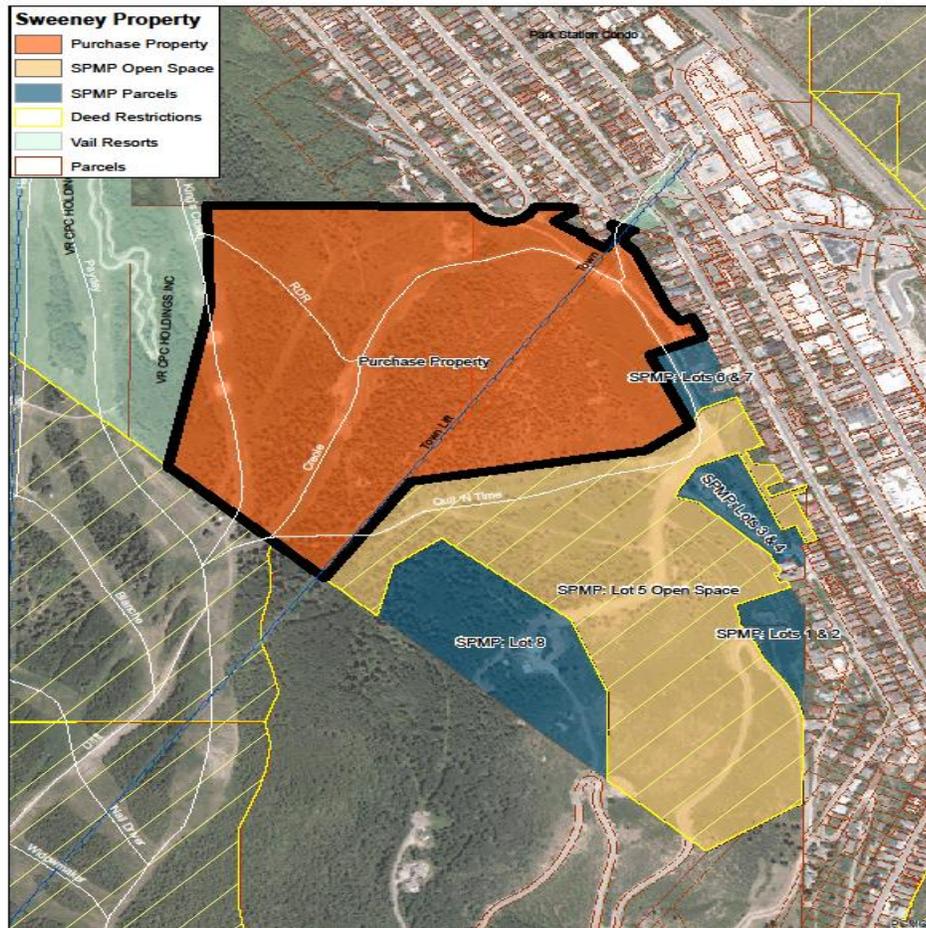
Both the Purchase Agreement and the Settlement Agreement include a release of all claims between the parties related to the Treasure Hill Properties and the pending CUP application. The release terms are in the draft Purchase Agreement and Settlement Agreement- the latter of which becomes operative only if the bond is not issued or sold.

### Transfer of Density Rights (TDR)

No TDR has been considered in conjunction with this purchase. The City reserves the right to sell or transfer density in accordance with existing provisions and public processes as required by the Land Management Code. No changes to the SPMP are proposed and all conditions of approval from previous approved CUP and subdivisions remain in effect.

### **Property**

The Treasure Hill Properties, inclusive of the remaining Phase 4 SPMP development parcel (@11acres) and hillside open space parcel (@52 acres), proposed for acquisition by the City are as shown below (42.7 acres previously deeded to PCMC as open space; 62.18 potential additional acreage for open space acquisition; total = 104.88 acres):



**Current City General Obligation (GO) Bonds – (Voter Approved Property Tax Initiatives) (updated 2/11/2018 – J. N. Rockwood)**

The City currently has seven bond issuances outstanding (see table below). All bonds have been issued for 15-year terms and have differing expiration dates. The 2013 and 2014 GO Bonds are refunding bonds (refinanced) from 2003 and 2004 open space bonds. The 2013 bonds will be retired (paid off) in 2018 and the 2014 bond will be retired in 2019.

**The total principal and interest outstanding on all City GO bonds is approximately \$59 million.** The full amount will be retired in 2032 with the last payment of the Bonanza Flat Bonds. Based on the current debt schedule, **approximately half of the City’s GO debt (\$28 million) will be retired in the next 5 years.**

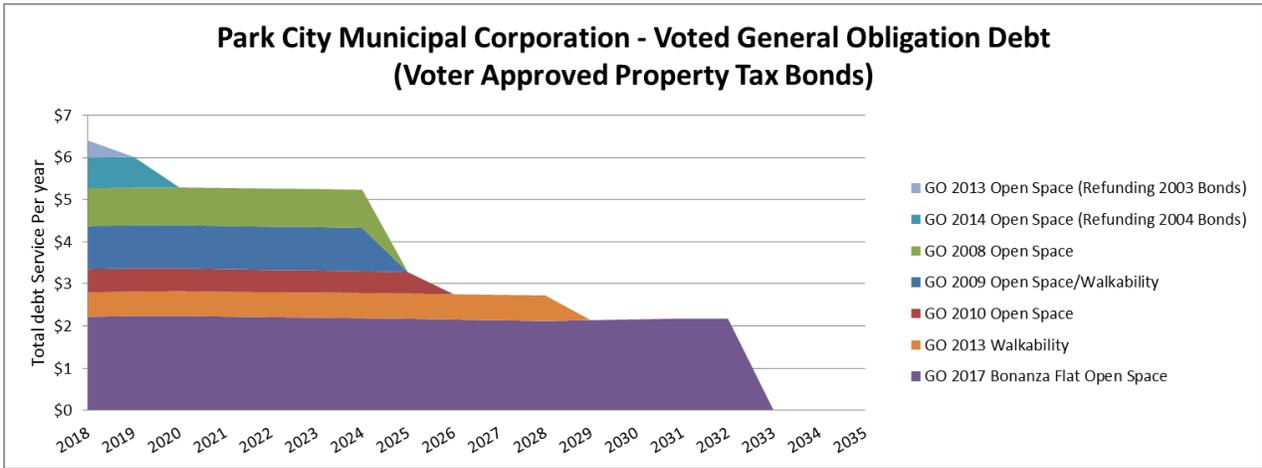
The total principal and interest payment due in 2018 is \$6.4 million. Based on the 2017 City wide Taxable Value this payment would be estimated at \$77.15 per \$100,000 of Taxable Value.

The Average Assessed Value for a primary resident in Park City is \$768,000. Taxable Value is 55% of the Assessed Value for a primary residence and 100% of the Assessed Value for a second home or business. For example, for the average primary residential Assessed Value of \$768,000 is Taxable Value is \$422,400. The average assessed value for a second home or business is \$923,524, which is also its taxable value.

The City’s 2017 total Taxable Value is approximately \$8.2 billion. Primary residences make up just over 15 percent of the total taxable value. This means that primary residents are responsible for about \$8.8 million of the total \$59 million in outstanding debt. This will equate to about \$950,000 of the \$6.4 million debt service payment in 2018.

The State of Utah sets the maximum allowable General Obligation debt limit for a city at 4% of the total taxable value in any one year. Based on the 2017 Taxable Value the State limit for Park City debt is \$312 million or \$253 million in remaining debt capacity.

Park City Municipal Corporation - General Obligation Debt Service (Voter Approved Property Tax Bonds)										
Year	Series							Grand Total Current Debt	Estimated Tax on Primary Resident	Estimated Tax Per \$100k
	GO 2013 Open Space (Refunding 2003 Bonds)	GO 2014 Open Space (Refunding 2004 Bonds)	GO 2008 Open Space	GO 2009 Open Space/Walkability	GO 2010 Open Space	GO 2013 Walkability	GO 2017 Bonanza Flat Open Space	Total GO Debt Payment Per Year	(Average Primary Taxable Value \$422,000)	Per \$100K in Taxable Value
2018	\$ 408,000	\$ 723,400	\$ 894,200	\$ 1,021,810	\$ 554,735	\$ 576,813	\$ 2,223,326	\$ 6,402,284	\$ 327	\$ 77
2019		732,250	892,400	1,020,576	549,135	578,213	2,241,550	\$ 6,014,124	\$ 307	\$ 73
2020			894,600	1,023,516	541,335	584,413	2,245,350	\$ 5,289,214	\$ 270	\$ 64
2021			900,600	1,023,340	537,475	585,313	2,228,600	\$ 5,275,328	\$ 269	\$ 64
2022			904,250	1,026,220	527,288	589,850	2,214,350	\$ 5,261,958	\$ 269	\$ 64
2023			905,463	1,026,450	521,190	597,850	2,202,350	\$ 5,253,303	\$ 268	\$ 64
2024			909,150	1,024,400	513,915	599,100	2,187,350	\$ 5,233,915	\$ 267	\$ 63
2025					505,200	599,938	2,174,350	\$ 3,279,488	\$ 167	\$ 40
2026						604,038	2,153,100	\$ 2,757,138	\$ 141	\$ 33
2027						602,538	2,138,850	\$ 2,741,388	\$ 140	\$ 33
2028						609,175	2,121,100	\$ 2,730,275	\$ 139	\$ 33
2029							2,141,350	\$ 2,141,350	\$ 109	\$ 26
2030							2,159,350	\$ 2,159,350	\$ 110	\$ 26
2031							2,180,100	\$ 2,180,100	\$ 111	\$ 26
2032							2,178,450	\$ 2,178,450	\$ 111	\$ 26
2033										
2034										
2035										
<b>Total Debt (P&amp;I)</b>	<b>\$ 408,000</b>	<b>\$ 1,455,650</b>	<b>\$ 6,300,663</b>	<b>\$ 7,166,312</b>	<b>\$4,250,273</b>	<b>\$ 6,527,241</b>	<b>\$32,789,526</b>	<b>\$ 58,897,665</b>	<b>\$ 3,006</b>	<b>\$ 712</b>



**History of Voter Approved General Obligation (GO) Property Tax Bond Initiatives:**

**1998 Open Space Bond Initiative**

Amount: \$10,000,000  
 Approval Rate: 78%  
 Related Bond Issuance: Bonds Retired

**2001 Ice Facility and Park Improvement Initiative**

Amount: \$4,000,000  
 Approval Rate: 52%  
 Related Bond Issuance: 2003 Bond Issuance

**2002 Open Space Initiative**

Amount: \$10,000,000  
 Approval Rate: 79%  
 Related Bond Issuance: 2003 Bond Issuance, 2004 Bond Issuance

**2006 Open Space Initiative**

Amount: \$20,000,000  
 Approval Rate: 82%  
 Related Bond Issuance: 2008 Bond Issuance, 2009 Bond Issuance, 2010 Bond Issuance

**2007 Walkability Bond Initiative**

Amount: \$15,000,000  
 Approval Rate: 55%  
 Related Bond Issuance: 2009 Bond Issuance, 2013 Bond Issuance

**2016 Bonanza Flats Open Space Bond Initiative**

Amount: \$25,000,000  
 Approval Rate: 71%  
 Related Bond Issuance: 2017 Bond Issuance

Other Related Voter Approved Initiatives:

**2012 .5% Additional Resort Community Sales Tax Initiative**

Amount: \$0.50 Sales Tax (Public Capital Improvements and Open Space)  
 Approval Rate: 59%  
 Related Bond Issuance: 2013 Sales Rev., 2014 Sales Rev., & 2017 Sales Rev. Bonds

**Park City Property Tax Base**

Park City Property Tax Base (Summit and Wasatch County)						
Classification	Parcel Count	Assessed Value	Taxable Value	Percentage of Taxable Value	Average Assessed Value Per Classification	Average Taxable Value Per Classification
Primary Residential	3,024	\$ 2,321,259,062	\$ 1,276,692,484	15.4%	\$ 767,612	\$ 422,187
Secondary Residential	6,321	\$ 5,835,889,982	\$ 5,835,889,982	70.6%	\$ 923,254	\$ 923,254
Commercial/Industrial	627	\$ 739,074,106	\$ 739,074,106	8.9%	\$ 1,178,747	\$ 1,178,747
Other (agricultural, etc.)	759	\$ 298,843,668	\$ 298,843,668	3.6%	\$ 393,733	\$ 393,733
Personal Property	1,031	\$ 77,332,858	\$ 77,332,858	0.9%	\$ 75,008	\$ 75,008
Centrally Assessed	N/A	\$ 39,624,113	\$ 39,624,113	0.5%	N/A	N/A
<b>Total</b>	<b>11,762</b>	<b>\$ 9,312,023,789</b>	<b>8,267,457,211</b>	<b>100%</b>	<b>\$ 791,704</b>	<b>\$ 702,896</b>

\*All values are for the last tax year (Jan-Dec. 2017). Tax bill paid on December 15, 2017

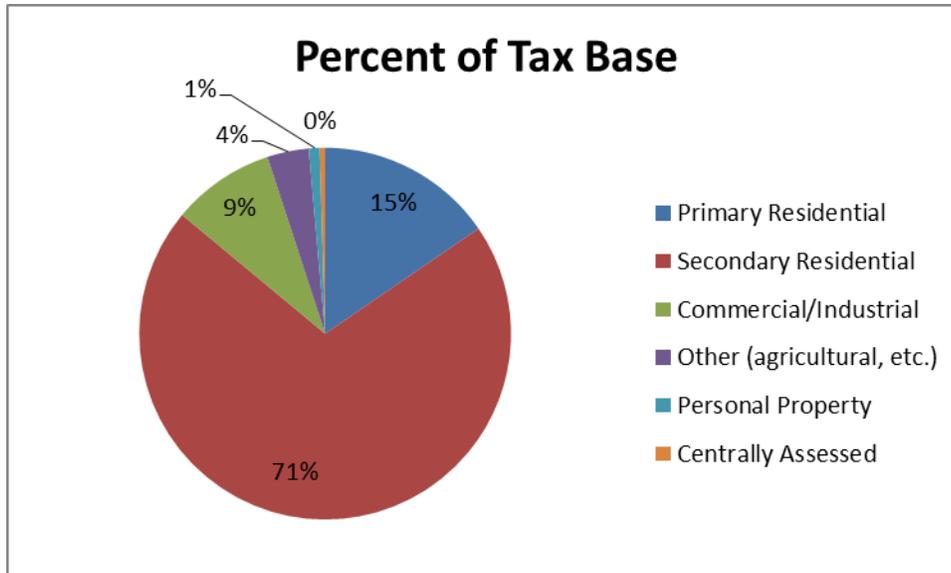
**Key Points:**

Average Primary Residential Assessed Value: \$768,000

Average Primary Residential Taxable Value: \$422,000

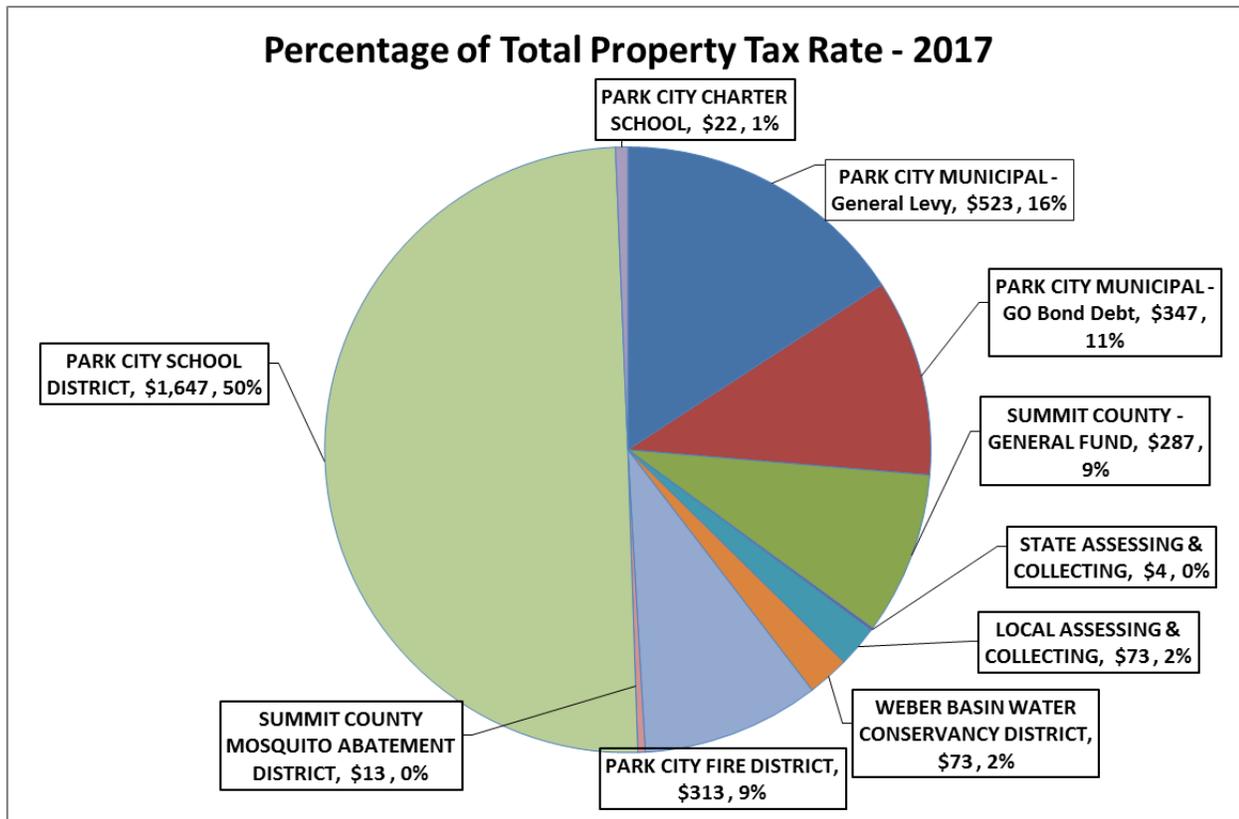
Average Secondary Residential Assessed and Taxable Value: \$923,000

**Percentage of Taxable Base for Primary Residents: 15%**



**Example of Property Tax Bill for Average Primary Resident Value**

<b>Total Property Tax Rate - Primary Residential Average Assessed Value</b>			
Primary Home Assessed Value (Avg. Park City Primary Residence)		\$	768,000
<b>Taxable Value (Primary 55% of Assessed Value)</b>		<b>\$</b>	<b>422,400</b>
<b>Total Property Tax Rates - 2017</b>			
	<b>Rate</b>	<b>Tax</b>	<b>Percentage</b>
PARK CITY MUNICIPAL - General Levy	0.001237	\$ 523	16%
PARK CITY MUNICIPAL - GO Bond Debt	0.000822	\$ 347	11%
SUMMIT COUNTY - GENERAL FUND	0.000680	\$ 287	9%
STATE ASSESSING & COLLECTING	0.000010	\$ 4	0%
LOCAL ASSESSING & COLLECTING	0.000173	\$ 73	2%
WEBER BASIN WATER CONSERVANCY DISTRICT	0.000174	\$ 73	2%
PARK CITY FIRE DISTRICT	0.000742	\$ 313	9%
SUMMIT COUNTY MOSQUITO ABATEMENT DISTRICT	0.000031	\$ 13	0%
PARK CITY SCHOOL DISTRICT	0.003900	\$ 1,647	50%
PARK CITY CHARTER SCHOOL	0.000051	\$ 22	1%
<b>Total Taxes Billed 2017</b>	<b>0.007820</b>	<b>\$</b>	<b>3,303</b>



## ***Election Timing of GO Bond Initiatives***

**On or before Aug. 30, 2018** - 75 days prior to election date – City Council must approve a resolution submitting the question of the issuance of the bonds to the voters. The resolution must include the ballot proposition language, dollar amount (sizing) of the bonds and the maximum maturity of the bonds.

**September** - The resolution would be followed by a series of public hearings and notices of the bonds in September.

**Between September 24 - October 24** - A voter information pamphlet must be mailed to all city addresses. The voter information would also include the ballot proposition language, dollar amount of the bonds and the maximum maturity of the bonds, as well as the estimated annual property tax impact on a primary, secondary and business property related to the bonds.

**November 6, 2018 - GO Bond Election** – Special Election on November 6, 2018 question of the issuance of the bonds to the voters. Bond will need to pass by a simple majority..

**November - March** – **If the bond passes**, proceed with issuance and sale of bonds. Closing by April 1, 2019.

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## Example of Potential GO Bond Options

### Option 1 Example - \$55M. GO Bond \$6M down payment

- Total purchase price \$64M
- Additional funds needed in addition to \$55M GO bonds: \$9M.
- 15 year bonds – equal debt payment over life of bonds

#### Identified Potential Cut or Deferred Projects:

Brew Pub and other Main Street Plazas	\$7,500,000
Allocated Open Space funds from Additional Resort Community Sales Tax	\$1,500,000
<b>Total</b>	<b>\$9,000,000</b>

#### Cost Table example for \$55 Million Property Tax Bond:

<b>General Obligation Bonds (GO) \$55 Million</b>	
Bond Amount:	\$ 55,000,000
Estimated Annual Debt Service:	\$ 4,306,194
Rate Needed:	0.000520
Property Tax Increase (City)	25.2%
Amount per \$100,000 of Taxable Value	\$ 52
<b>Example of Tax on Average Primary Residence \$768,000</b>	
Home Assessed Value	\$ 768,000
Taxable Value (Primary 55%)	\$ 422,400
Current Property Tax (City)	\$ 870
PT with Increase	\$ 1,089
<b>Total Difference (New Tax for Bond)</b>	<b>\$ 220</b>
<b>Tax on Business or Second Residence of the same size - \$768,000</b>	
Assessed Value	\$ 768,000
Taxable Value (Primary 55%)	\$ 768,000
Current Property Tax (City)	\$ 1,581
PT with Increase	\$ 1,981
<b>Total Difference (New Tax for Bond)</b>	<b>\$ 399</b>

**(Option 1 – continued from last page) GO Bond Table \$55M (Estimate)**

**Debt Table example for \$55 Million GO Property Tax Bond:**

Year	Current Debt Total			Treasure Hill Bond \$55 Million			Total Current and Treasure \$55 Million		
	Grand Total Current Debt	Estimated Tax on Primary Resident	Estimated Tax Per \$100k	Treasure Hill Bond	Estimated Tax on Primary Resident	Estimated Tax Per \$100k	New Grand Total with \$55 M	Estimated Tax on Primary Resident	Total Estimated Tax Per \$100k
	Total GO Debt Payment Per Year	(Average Primary Taxable Value \$422,000)	Per \$100K in Taxable Value	Treasure GO Debt (15 Year - 55 M.)	(Average Primary Taxable Value \$422,000)	Per \$100K in Taxable Value	Total GO Debt Payment per Year	(Average Primary Taxable Value \$422,000)	Per \$100K in Taxable Value
2018	\$ 6,402,284	\$ 327	\$ 77	\$ -	\$ -	\$ -	\$ 6,402,284	\$ 327	\$ 77
2019	\$ 6,014,124	\$ 307	\$ 73	4,306,194	\$ 220	\$ 52	10,320,318	\$ 527	\$ 125
2020	\$ 5,289,214	\$ 270	\$ 64	4,306,194	\$ 220	\$ 52	9,595,408	\$ 490	\$ 116
2021	\$ 5,275,328	\$ 269	\$ 64	4,306,194	\$ 220	\$ 52	9,581,522	\$ 489	\$ 116
2022	\$ 5,261,958	\$ 269	\$ 64	4,306,194	\$ 220	\$ 52	9,568,152	\$ 488	\$ 116
2023	\$ 5,253,303	\$ 268	\$ 64	4,306,194	\$ 220	\$ 52	9,559,497	\$ 488	\$ 116
2024	\$ 5,233,915	\$ 267	\$ 63	4,306,194	\$ 220	\$ 52	9,540,109	\$ 487	\$ 115
2025	\$ 3,279,488	\$ 167	\$ 40	4,306,194	\$ 220	\$ 52	7,585,682	\$ 387	\$ 92
2026	\$ 2,757,138	\$ 141	\$ 33	4,306,194	\$ 220	\$ 52	7,063,332	\$ 361	\$ 85
2027	\$ 2,741,388	\$ 140	\$ 33	4,306,194	\$ 220	\$ 52	7,047,582	\$ 360	\$ 85
2028	\$ 2,730,275	\$ 139	\$ 33	4,306,194	\$ 220	\$ 52	7,036,469	\$ 359	\$ 85
2029	\$ 2,141,350	\$ 109	\$ 26	4,306,194	\$ 220	\$ 52	6,447,544	\$ 329	\$ 78
2030	\$ 2,159,350	\$ 110	\$ 26	4,306,194	\$ 220	\$ 52	6,465,544	\$ 330	\$ 78
2031	\$ 2,180,100	\$ 111	\$ 26	4,306,194	\$ 220	\$ 52	6,486,294	\$ 331	\$ 78
2032	\$ 2,178,450	\$ 111	\$ 26	4,306,194	\$ 220	\$ 52	6,484,644	\$ 331	\$ 78
2033				4,306,194	\$ 220	\$ 52	4,306,194	\$ 220	\$ 52
2034									
2035									
<b>Total Debt (P&amp;I)</b>	<b>\$ 58,897,665</b>	<b>\$ 3,006</b>	<b>\$ 712</b>	<b>\$ 64,592,911</b>	<b>\$ 3,297</b>	<b>\$ 781</b>	<b>\$ 123,490,576</b>	<b>\$ 6,303</b>	<b>\$ 1,494</b>

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## Option 2 Example - \$50M. GO Bond \$6M down payment

- Total purchase price \$64M
- Additional funds needed in addition to \$50M GO bonds: \$14M.
- 15 year bonds – equal debt payment over life of bonds

### Identified Potential Cut or Deferred Projects:

Brew Pub and other Main Street Plazas	\$7,500,000
<u>Allocated Open Space funds from Additional Resort Community Sales Tax</u>	<u>\$1,500,000</u>
Total	\$9,000,000

### Other Potential Cut or Deferred Projects (to be evaluated as part of the Capital Budget process):

Downtown Sidewalks and Pass-through  
 OTIS (Old Town Street Reconstruction Projects)  
 Storm Water Improvements  
 Public Utility Building  
 Bonanza Flat Open Space Improvement and Management Funds  
 Future Open Space Funds  
 (see Adopted Capital Improvement Plan (CIP) for full list of approved capital projects)

### GO Bond Table \$50M (Estimate)

### Cost Table example for \$50 Million GO Property Tax Bond:

<i>General Obligation Bonds (GO) \$50 Million</i>	
Bond Amount:	\$ 50,000,000
Estimated Annual Debt Service:	\$ 3,914,722
Rate Needed:	0.000473
Property Tax Increase (City)	23.0%
Amount per \$100,000 of Taxable Value	\$ 47.35
<i>Example of Tax on Average Primary Residence \$768,000</i>	
Home Assessed Value	\$ 768,000
Taxable Value (Primary 55%)	\$ 422,400
Current Property Tax (City)	\$ 870
PT with Increase	\$ 1,070
<b>Total Difference (New Tax for Bond)</b>	<b>\$ 200</b>
<i>Tax on Business or Second Residence of the same size - \$768,000</i>	
Assessed Value	\$ 768,000
Taxable Value (Primary 55%)	\$ 768,000
Current Property Tax (City)	\$ 1,581
PT with Increase	\$ 1,945
<b>Total Difference (New Tax for Bond)</b>	<b>\$ 364</b>

**Debt Table example for \$50 Million GO Property Tax Bond:**

Year	Current Debt Total			Treasure Hill Bond \$50 Million			Total Current and Treasure \$50 Million		
	Grand Total Current Debt	Estimated Tax on Primary Resident	Estimated Tax Per \$100k	Treasure Hill Bond	Estimated Tax on Primary Resident	Estimated Tax Per \$100k	New Grand Total with \$50 M	Estimated Tax on Primary Resident	Total Estimated Tax Per \$100k
	Total GO Debt Payment Per Year	(Average Primary Taxable Value \$422,000)	Per \$100K in Taxable Value	Treasure GO Debt (15 Year - 50 M.)	(Average Primary Taxable Value \$422,000)	Per \$100K in Taxable Value	Total GO Debt Payment per Year	(Average Primary Taxable Value \$422,000)	Per \$100K in Taxable Value
2018	\$ 6,402,284	\$ 327	\$ 77	\$ -	\$ -	\$ -	\$ 6,402,284	\$ 327	\$ 77
2019	\$ 6,014,124	\$ 307	\$ 73	3,914,722	\$ 200	\$ 47	14,235,040	\$ 507	\$ 120
2020	\$ 5,289,214	\$ 270	\$ 64	3,914,722	\$ 200	\$ 47	13,510,130	\$ 470	\$ 111
2021	\$ 5,275,328	\$ 269	\$ 64	3,914,722	\$ 200	\$ 47	13,496,244	\$ 469	\$ 111
2022	\$ 5,261,958	\$ 269	\$ 64	3,914,722	\$ 200	\$ 47	13,482,874	\$ 468	\$ 111
2023	\$ 5,253,303	\$ 268	\$ 64	3,914,722	\$ 200	\$ 47	13,474,219	\$ 468	\$ 111
2024	\$ 5,233,915	\$ 267	\$ 63	3,914,722	\$ 200	\$ 47	13,454,831	\$ 467	\$ 111
2025	\$ 3,279,488	\$ 167	\$ 40	3,914,722	\$ 200	\$ 47	11,500,404	\$ 367	\$ 87
2026	\$ 2,757,138	\$ 141	\$ 33	3,914,722	\$ 200	\$ 47	10,978,054	\$ 341	\$ 81
2027	\$ 2,741,388	\$ 140	\$ 33	3,914,722	\$ 200	\$ 47	10,962,304	\$ 340	\$ 81
2028	\$ 2,730,275	\$ 139	\$ 33	3,914,722	\$ 200	\$ 47	10,951,191	\$ 339	\$ 80
2029	\$ 2,141,350	\$ 109	\$ 26	3,914,722	\$ 200	\$ 47	10,362,266	\$ 309	\$ 73
2030	\$ 2,159,350	\$ 110	\$ 26	3,914,722	\$ 200	\$ 47	10,380,266	\$ 310	\$ 73
2031	\$ 2,180,100	\$ 111	\$ 26	3,914,722	\$ 200	\$ 47	10,401,016	\$ 311	\$ 74
2032	\$ 2,178,450	\$ 111	\$ 26	3,914,722	\$ 200	\$ 47	10,399,366	\$ 311	\$ 74
2033				3,914,722	\$ 200	\$ 47	8,220,916	\$ 200	\$ 47
2034									
2035									
<b>Total Debt (P&amp;I)</b>	<b>\$ 58,897,665</b>	<b>\$ 3,006</b>	<b>\$ 712</b>	<b>\$ 58,720,828</b>	<b>\$ 2,997</b>	<b>\$ 710</b>	<b>\$ 182,211,404</b>	<b>\$ 6,004</b>	<b>\$ 1,423</b>

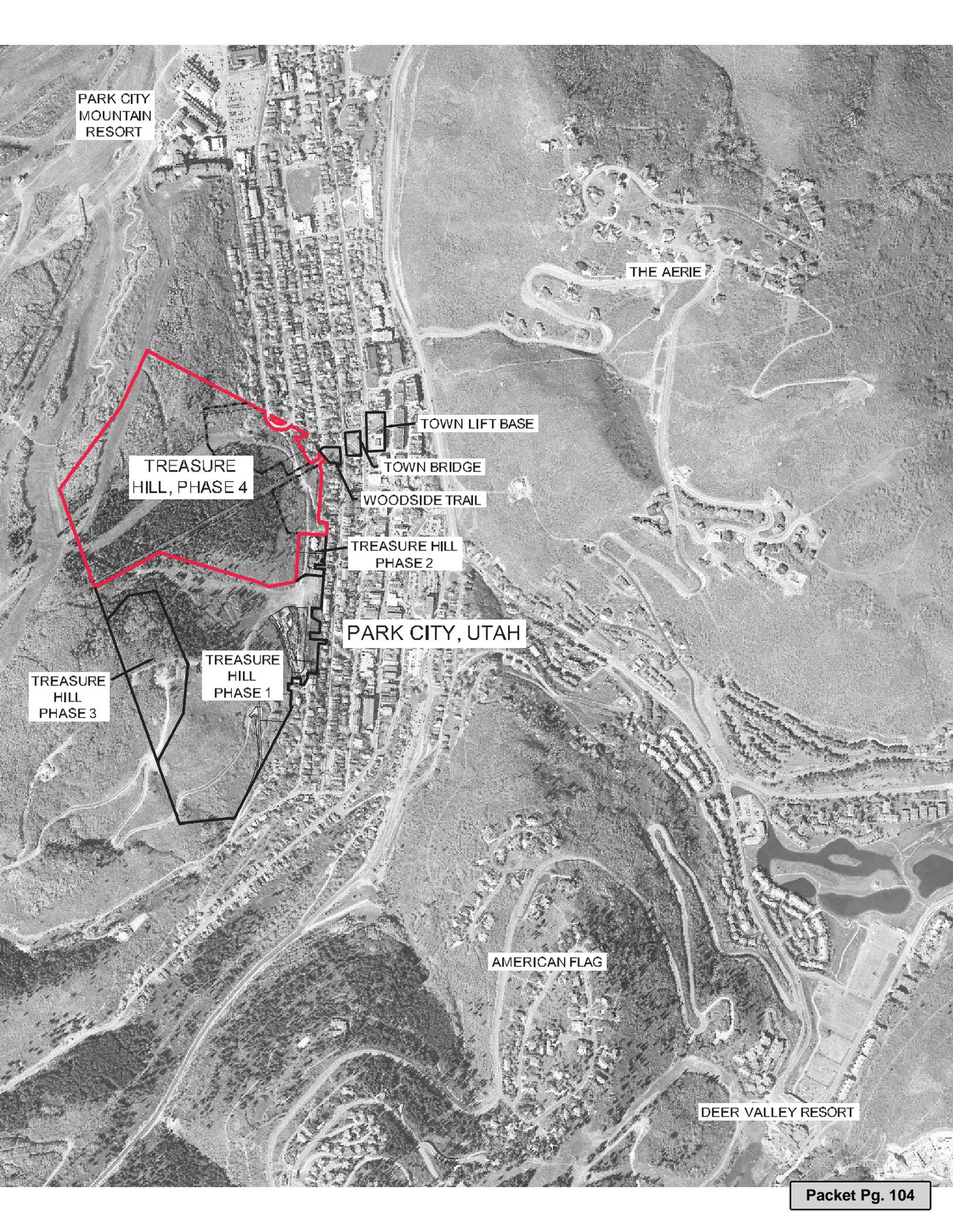
**Recommendation**

The Mayor and staff recommend that the City Council approve the Purchase and Sale Agreement in the amount of \$64 Million dollars, including a Settlement Agreement

**Exhibits**

Exhibit A – Purchase and Sale Agreement – a draft of the Purchase and Sale Agreement, including the Settlement Agreement, will be published and linked on the City’s website as soon as possible.

Exhibit B – Treasure Hill Properties Map



PARK CITY  
MOUNTAIN  
RESORT

THE AERIE

TREASURE  
HILL, PHASE 4

TOWN LIFT BASE

TOWN BRIDGE

WOODSIDE TRAIL

TREASURE HILL  
PHASE 2

PARK CITY, UTAH

TREASURE  
HILL  
PHASE 3

TREASURE  
HILL  
PHASE 1

AMERICAN FLAG

DEER VALLEY RESORT