

## Memo

**Subject:** Flagstaff Fee Financial Distribution  
**To:** City Council  
**Authors:** Budget, Transportation, Trails & Open Space  
**Date:** May 11, 2022

### BACKGROUND

The 1999 Flagstaff Development Agreement and subsequent 2007 Amended Development Agreement identified an Open Space & Transit Fund, in which the developer assessed a 1% Open Space/Transit Management Fee on the gross sales of all real property within the project area:

*Section 3.2 states that the Developer shall pay on each transfer of developer's land, and shall separately covenant with all successors in interest in a manner which runs with the land, to assess a 1% open space/transit management fee on the gross sales price of all real property within the project. 50% of the Open Space/Transit Management Fee shall belong to the Flagstaff Mountain Master Resort Association to reduce Master Resort Association dues associated with obligations assumed herein or to enhance the Master Resort Associations service to its members. 50% of the Open Space/Transit Management fee shall be paid to the City to assist in funding the costs and expenses for enhanced transportation to the Project, recreation improvements and/or open space acquisition, maintenance or preservation.*

### FEE REVENUE BREAKDOWN

Fiscal Year	PCMC		FMMRA
	Open Space	Transit	
2003	\$ 62,750	\$ -	\$ 62,750
2004	\$ 55,275	\$ 110,775	\$ 166,050
2005	\$ 164,734	\$ 172,564	\$ 337,298
2006	\$ 465,407	\$ 465,404	\$ 930,810
2007	\$ 293,405	\$ 293,405	\$ 586,811
2008	\$ 610,119	\$ 610,119	\$ 1,220,238
2009	\$ 122,532	\$ 122,532	\$ 245,063
2010	\$ 408,070	\$ 408,070	\$ 816,139
2011	\$ 228,225	\$ 228,225	\$ 456,449
2012	\$ 172,581	\$ 172,581	\$ 345,163
2013	\$ 266,456	\$ 266,456	\$ 532,911
2014	\$ 391,814	\$ 391,814	\$ 783,628
2015	\$ 335,559	\$ 335,559	\$ 671,119
2016	\$ 254,409	\$ 254,409	\$ 508,818
2017	\$ 185,963	\$ 185,963	\$ 371,927
2018	\$ 590,116	\$ 590,116	\$ 1,180,232
2019	\$ 276,085	\$ 276,085	\$ 552,169
2020	\$ 131,904	\$ 131,904	\$ 263,808
2021	\$ 963,355	\$ 963,355	\$ 1,926,710
2022*	\$ 442,548	\$ 442,548	\$ 885,096
<b>GRAND TOTAL</b>	<b>6,421,306</b>	<b>6,421,883</b>	<b>12,843,189</b>

\*FY22 shows fee revenues collected through March 2022

The fees are split evenly between the Flagstaff Mountain Master Resort Association and Park City Municipal (PCMC). A further equal split of the PCMC funds is delineated between open space and transit. The chart above indicates total amounts collected since 2003.

### **ANALYSIS – OPEN SPACE**

The Fee was first collected in 2003 and a total \$6,421,306 has been collected to date. Expenditures total approximately \$5,791,771 to date, leaving an approximate \$629,535 balance.

<b>FEE EXPENSES - OPEN SPACE</b>	
<b>Fiscal Year</b>	<b>Open Space</b>
2004	\$ -
2005	\$ -
2006	\$ 12,937
2007	\$ 32,084
2008	\$ 27,484
2009	\$ 137,723
2010	\$ 1,279,511
2011	\$ 274,019
2012	\$ 238,552
2013	\$ 268,509
2014	\$ 324,648
2015	\$ 351,073
2016	\$ 375,372
2017	\$ 530,677
2018	\$ 574,659
2019	\$ 261,786
2020	\$ 536,140
2021	\$ 349,183
2022*	\$ 217,414
<b>Total Expenses</b>	<b>\$ 5,791,771</b>
<b>Total Revenues</b>	<b>\$ 6,421,306</b>
<b>Remainder</b>	<b>\$ 629,535</b>

\*FY22 shows estimates through March 2022

Due to the fluctuating nature of the real estate transactions, an annual budget of \$300,000 has traditionally been allocated to open space and transportation programs and projects. Ensuring that the fund maintains a stable balance is important in order to balance the revenue fluctuations from one year to the next.

Currently, Open Space utilizes the Fee for the following programs and projects:

- Annual Wildfire Mitigation Projects
- Annual Noxious Weed Maintenance
- Open Space Preservation including acquisition and easements

- Annual Conservation Easement Monitoring costs with Summit Land Conservancy
- Recreational Improvements, including trails and trailheads improvements and maintenance
- Maintenance of Recreational Amenities, including restrooms, maintenance equipment such as tools and materials, trash and mutt-mitt stations and signage

Flagstaff Open Space Expenditures by Category								
Fiscal Year	Admin Expense	Easement - Open Space	Improvements - Landscaping	Improvements - Wayfinding & Trails	Stewardship	Weed Mitigation	Appraisals, Title, Professional Services	Total Expenditure by Category
2003								\$ -
2004								\$ -
2005								\$ -
2006					\$ 12,937			\$ 12,937
2007			\$ 207		\$ 6,250	\$ 20,447	\$ 5,180	\$ 32,084
2008					\$ 7,500	\$ 17,234	\$ 2,750	\$ 27,484
2009			\$ 79,154	\$ 384	\$ 7,500	\$ 50,685		\$ 137,723
2010	\$ 3,714	\$ 1,177,133	\$ 7,549	\$ 5,379	\$ 43,057	\$ 27,894	\$ 14,785	\$ 1,279,511
2011	\$ 16,922	\$ 102,213	\$ 27,472	\$ 9,162	\$ 55,208	\$ 62,542	\$ 500	\$ 274,019
2012	\$ 297		\$ 73,539	\$ 13,710	\$ 39,091	\$ 90,888	\$ 21,027	\$ 238,552
2013	\$ 819	\$ 16,454	\$ 79,631	\$ 10,509	\$ 51,466	\$ 70,433	\$ 39,197	\$ 268,509
2014	\$ 188	\$ 350	\$ 120,928	\$ 72,924	\$ 35,801	\$ 43,110	\$ 51,347	\$ 324,648
2015	\$ 18,251	\$ 3,450	\$ 63,408	\$ 48,442	\$ 98,690	\$ 66,763	\$ 52,069	\$ 351,073
2016	\$ 16,281		\$ 125,096	\$ 7,608	\$ 2,060	\$ 195,832	\$ 28,495	\$ 375,372
2017	\$ 12,601		\$ 155,306	\$ 153,376	\$ 53,973	\$ 82,368	\$ 73,053	\$ 530,677
2018	\$ 10,194		\$ 164,259	\$ 58,781	\$ 110,282	\$ 115,719	\$ 115,424	\$ 574,659
2019	\$ (11,597)		\$ 83,772	\$ 8,189	\$ 27,291	\$ 103,719	\$ 50,412	\$ 261,786
2020	\$ 3,249	\$ 147,616	\$ 114,843	\$ 44,124	\$ 62,598	\$ 111,736	\$ 51,974	\$ 536,140
2021	\$ 2,116	\$ 96,141	\$ 74,796	\$ 28,738	\$ 40,769	\$ 72,772	\$ 33,850	\$ 349,182
2022*	\$ 1,318	\$ 59,861	\$ 46,571	\$ 17,893	\$ 25,385	\$ 45,311	\$ 21,076	\$ 217,415

## TRANSPORTATION

PCMC's free public transit service is augmented by the annual Fee to support access to the Project area via the 9 Purple Empire Pass route. Since 2019, a major portion of The Transit Management Fee has provided funding for the Purple route. Through 2021, the Fee covered the entire operational cost of the Purple route; however, due to the variability in Fee revenue, this may not always be the case.

In addition, a portion of the Fees is utilized for transportation capital projects that improve overall access to the Flagstaff Area by enhancing accessibility. Part of the Flagstaff agreement also includes maintaining use and access to the Richardson Flat Parking lot and Richardson Flat Road, and this commitment has also been maintained.

Recent capital expenditures from the Fee include traffic signal transit hardware, software at the Richardson Flat Road traffic signal, and a portion of the engineering design for the 'Kearns high school tunnel'.

In priority order, the Fee will continue to fund the 9 Purple Empire Pass route, capital infrastructure, and software and technology that benefit the Project the project area. PCMC anticipates future capital expenses to expand transit amenities (bus stop improvements), accessibility programs, and roadway safety improvements serving the Project area.

**FEE EXPENSES - TRANSIT**

<b>Fiscal Year</b>	<b>Transit</b>
2004	\$ -
2005	\$ -
2006	\$ -
2007	\$ -
2008	\$ 20,275
2009	\$ -
2010	\$ -
2011	\$ 22,816
2012	\$ -
2013	\$ -
2014	\$ -
2015	\$ 13,360
2016	\$ 337,698
2017	\$ 114,593
2018	\$ 896,961
2019	\$ 1,214,549
2020	\$ 476,206
2021	\$ 211,214
2022*	\$ 701,288

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**Total Expenses \$ 4,008,960**

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**Total Revenues \$ 6,421,883**

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**Remainder \$ 2,412,923**

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\*FY22 shows estimates through March 2022