



## City Council Staff Report

**Subject:** Open Space Cooperation Agreement between PCMC, Summit County and the Snyderville Basin Special Recreation Service District  
**Author:** Heinrich Deters & Matthew Dias  
**Department:** Executive  
**Date:** June 15, 2017  
**Type of Item:** Administrative

### Summary Recommendation

City Council should hold a public hearing and consider authorizing the Mayor to execute the Open Space Cooperation Agreement (“Cooperation Agreement”) attached to this report as Attachment A. The agreement would exchange open space property with Summit County and Snyderville Basin Special Recreation District and reimburse PCMC for its share of the Triangle Parcel in the amount of \$2,250,000.

### Executive Summary

Under the terms of the attached Cooperation Agreement, Summit County would exchange certain parcels of property and reimburse PCMC \$2,250,000 for PCMC’s cost of purchasing the Triangle Parcel. The Summit County Council has approved this Cooperation Agreement.

The City Council has previously indicated its desire to utilize the \$2,250,000 sale proceeds towards the purchase of open space, preferably towards the purchase of Bonanza Flat. The deadline for PCMC’s acquisition of Bonanza Flat is June 15, 2017.

### Acronyms

PCMC Park City Municipal Corporation  
SBSRD Snyderville Basin Special Recreation District

### The Opportunity

Exchanging open space property with Summit County and Snyderville Basin Special Recreation District (SBSRD) and accepting reimbursement for PCMC’s share of the Triangle Parcel in the amount of \$2,250,000. These monies are sale proceeds, not a donation.

### Background and Analysis

On January 12, 2017, PCMC entered into the “Agreement for Purchase and Sale of Real Property [Bonanza Flats (sic)]. Since execution of that agreement, PCMC and a coalition of conservation groups led by Utah Open Lands have waged a campaign to close the gap between the purchase price of \$38,000,000 and the proceeds of the \$25,000,000 Bonanza Flat open space bond. The attached Cooperation Agreement would make \$2,250,000 available to purchase open space and help close that gap.

## Material Terms of the Cooperation Agreement

Summit County, SBSRD, and PCMC will enter into a property transaction wherein:

1. PCMC conveys all of its interests in Quarry Mountain (approximately 182.97 acres) to Summit County and SBSRD. Summit County and SBSRD shall maintain Quarry Mountain as recreational open space in perpetuity consistent with the existing Quarry Mountain Conservation Easement.
2. Summit County conveys all of its interests in Old Ranch Hills (approximately 50 acres) to PCMC. Summit County agrees not to protest PCMC's potential annexation of Old Ranch Hills and PCMC agrees to place a conservation easement on the property.
3. PCMC conveys all of its interests in the Triangle Parcel (approximately 111.28 acres) to Summit County and SBSRD. Summit County pays PCMC \$2,250,000 to reimburse PCMC for its share of the original acquisition of the Triangle Parcel. Summit County and SBSRD shall maintain the Triangle Parcel as recreational open space in perpetuity, and Summit County shall place a conservation easement on the property within 180 days of reaching an agreement with EPA which determines the County and SBSRD's responsibilities for conditions on the Triangle Parcel. The scope of the conservation easement will also depend on whether and to the extent that Summit County and PCMC have not agreed to locate a joint public works facility on the property.

PCMC will assign to Summit County and SBSRD its obligations under the Environmental Cost Sharing Agreement that PCMC entered into when purchasing the Triangle Parcel in 2007. Similarly, PCMC will assign Summit County and SBSRD its obligations under the Utah Department of Environmental Quality's Voluntary Clean-Up Program and PCMC will formally terminate its participation in that program. Finally, PCMC will assign to Summit County and SBSRD its interest in a five acre lot within the Triangle Parcel that has been limited by agreement to the construction of a future LDS meeting house.

The Summit County and SBSRD will indemnify and hold PCMC harmless from and against any cost incurred by PCMC for any environmental liability associated with the Triangle Parcel. PCMC will indemnify Summit County and SBSRD for any cost incurred by either of them as a result of PCMC having introduced hazardous substances on the Triangle Parcel or exacerbated existing hazardous substances on the property between the date PCMC purchased its share of the Triangle Parcel and the date of closing the Cooperation Agreement.

### **Alternatives for City Council to Consider**

- 1. Recommended Alternative:** Authorize the Mayor to execute the Grant Agreement  
Pros

- a. Under the terms of the Cooperation Agreement, the \$2,250,000 can be used to purchase open space and help close the gap between the Bonanza Flat open space bond and the purchase price.
- b. The original intent for use of this property was public works and other related needs. Since that time City and County staff have met on numerous occasions to jointly plan this property and determined that if storage or other facilities were to be placed on this property, both City and County staff would recommend that only a small portion of the land be utilized;
- c. This new agreement with Summit County includes a provision for the City to have the use 10 acres of a future County public works facility in the Lower Silver Creek area;
- d. The preservation of this property helps Park City meet one of its Top Priority goals of preserving land, not only within the City, but also within proximity to the City, as open space;
- e. Because this property is included in the Operable Unit of EPA's Administrative Order on Consent with United Park City Mines, it is highly unlikely the City could have generated a similar amount of cash to put towards the Bonanza Flat purchase from the free market. Thus, it is unlikely that a free market buyer would have given the City \$2.25 million AND agreed to preserve the land as open space;
- f. The County has indemnified the City for environmental liability – and while future environmental liability is not expected to be as great as it would be for other properties in the area – the County has taken on all liability, including any future cost contribution that may result from the Lower Silver Creek cleanup that will be the result of the aforementioned Administrative Order on Consent;
- g. Partnership begets partnership: The City and County collaborated similarly on the County's purchase of the Toll Canyon property. Furthermore, this type of collaboration encourages and supports other City-County collaborations, such as the current transportation partnership.

### Cons

- a. If the \$2,250,000 is put towards the Bonanza Flat purchase, it would raise the total contribution by Park City taxpayers, who have already approved \$25 million.
  - b. Some argue that the Park City taxpayers have done enough by raising \$25 million and should not be allocating additional monies towards the Bonanza Flat purchase.
  - c. There is some confusion among the community that the \$2,250,000 is a donation by Summit County – it is not. Instead, PCMC is selling its interests in the Triangle parcel to raise an additional \$2,250,000 for open space.
- 2. Null Alternative:** If PCMC and Summit County do not enter into the Grant Agreement, PCMC would not receive the Old Ranch Hills property nor the \$2,250,000 reimbursement, which could be applied to the acquisition of Bonanza Flat.

**Department Review**

This report has been reviewed by the Executive Department, Budget and Finance Department, and the Community Development Department.

**Funding Source**

No funds are required for the execution of the Cooperation Agreement.

**Attachments**

Attachment A: The Cooperation Agreement