



City Council Staff Report

Subject: Grant Agreement between PCMC and Summit County
Author: Heinrich Deters and 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 Grant Agreement attached to this report as Attachment A, which will memorialize a \$2,000,000 grant from Summit County to be applied toward the purchase of Bonanza Flat.

Executive Summary

The deadline for PCMC's acquisition of Bonanza Flat is June 15, 2017. Summit County is one of many supporters of PCMC's purchase of Bonanza Flat. Under the terms of the attached Grant Agreement, Summit County would contribute \$2,000,000 over three years to PCMC's purchase of Bonanza Flat. The Summit County Council has approved this Grant Agreement.

Acronyms

PCMC Park City Municipal Corporation

The Opportunity

Receiving a \$2,000,000 grant from Summit County to be applied toward the purchase of Bonanza Flat.

Background and Analysis

On January 12, 2017, PCMC entered into the Agreement for Purchase and Sale of Real Property [Bonanza Flats (sic)]. Upon execution, PCMC and a coalition of conservation groups, led by Utah Open Lands, 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 approved by Park City voters. The attached Grant Agreement with Summit County for \$2,000,000 helps close that gap.

Material Terms of the Exchange Agreement

Summit County shall grant PCMC (\$2,000,000.00) from its transient room sales taxes funds as follows:

- | | | |
|-------|----------------------------|-----------|
| (i) | The date of closing: | \$500,000 |
| (ii) | On or before June 1, 2018: | \$500,000 |
| (iii) | On or before June 1, 2019: | \$500,000 |
| (iv) | On or before June 1, 2020: | \$500,000 |

The grant is conditioned on Park City acquiring Bonanza Flat using it for Bonanza Flat for active and passive recreational open space purposes. Summit County's payment in years 2019 and 2020 are conditioned on the placement of a conservation easement on Bonanza Flat acceptable in both form and substance to Summit County.

Summit County is also requiring that it will have a representative on any governing board or advisory committee if one is created for the purposes of creating and/or implementing a management plan for Bonanza Flat, and that if such a board or committee is not formed, Park City shall consult with Summit County in the course of programming all or portions of Bonanza Flat as active recreational open space.

Finally, Summit County is conditioning its payments in 2017 and thereafter on PCMC conveying to Summit County a property interest in Bonanza Flat similar to any interest conveyed to any other entity (other than Salt Lake Public Utilities). The amount of property in such a conveyance would be subject to the conservation easement and in proportion to the amount of Summit County's grant relative to the total funds contributed to the purchase of Bonanza Flat.

Alternatives for City Council to Consider

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

Pros

- a. Under the terms of the grant, the gap between the Bonanza Flat open space bond and the purchase price would be reduced by \$2,000,000.

Cons

- a. Though certainly not a negative impact of entering into the Grant Agreement, Council should carefully review the *conditions* related to the contribution.

2. Null Alternative: If PCMC and Summit County do not enter into the Grant Agreement, PCMC would not receive \$2,000,000 toward its 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 Grant Agreement.

Attachments

Attachment A: The Agreement