



September 18, 2020

Morgan Busch
Intermountain Health Care
36 South State Street, 8th Floor
Salt Lake City, Utah 84111

Dear Morgan,

Please find below an Action Letter confirming the decision made by the Park City Housing Authority on September 17, 2020 to accept a payment of in-lieu fees in fulfillment of a portion of the housing obligation generated by an amendment to the IHC/USSA/Burbidge Annexation Agreement, dated October 9, 2019 as follows:

NOTICE OF HOUSING AUTHORITY ACTION

<u>Description:</u>	Updated/Amended Affordable Housing Mitigation Plan
<u>Project Title:</u>	IHC/USSA/Burbidge Annexation Agreement
<u>Date of Action:</u>	September 17, 2020

Summary of Housing Authority Action

On September 17, 2020, Park City Housing Authority approved a 5th Amendment to the Housing Mitigation Plan for the housing obligations resulting from the IHC/USSA/Burbidge Annexation Agreement recorded on January 23, 2007 and amended on October 9, 2019. In fulfillment of 2.04 AUEs of the housing obligation, the Housing Authority approved a payment of in-lieu fees totaling \$794,793 to satisfy the additional 2.04 AUEs.

1. On October 9, 2019, the Planning Commission approved an amendment to the IHC Master Planned Development (IHC-MPD) and Development Agreement to add 56 Unit Equivalents (UEs) (56,000 square feet) with a determination that 8 UEs (8,000 square feet) are undevelopable to meet a Housing Authority obligation, for a total of 48 developable UEs (48,000 square feet) to build a 20,000-square-foot ambulatory surgery center on Lot 6 (20 UEs) and 28,000-square-foot addition for support medical use on Lot 1 (28 UEs). This additional density generated a housing obligation equal to 20.42 AUEs and since it was approved in 2019, it is governed by the most recent Housing Resolution 03-2017.
2. IHC fulfill 2.97 AUEs by placing deed restrictions on 14 SRO units at Rail Central Building #3 owned by MJF Investments, LLC: Unit numbers 6, 7, 8, 10, 11, 12, 15, 16, 17, 19, 20, 21, 22, and 23.

3. IHC fulfill 1.53 AUEs by placing a deed restriction on Claim Jumper Condominium unit #364-U.
4. IHC will fulfill the remaining 2.04 AUEs by making a payment of in-lieu to Park City Municipal Corporation in the amount of \$794,793.

Conditions of Approval:

1. Payment must be received prior to any building permits being issued.
2. Prior to submission of a Conditional Use Permit for any additional development on the site, the Applicant shall amend the Housing Mitigation Plan, approved by the City to satisfy the remaining obligation of 13.88 AUEs, pursuant to the requested density for the phase of construction for each Conditional Use Permit.

If you have any questions about this action letter, please contact Rhoda Stauffer at 435-615-5152 or via email at rhoda.stauffer@parkcity.org.

Attachments:

1. IHC Holdings Proposal for 5th Amended Housing Mitigation Plan dated July 2020.

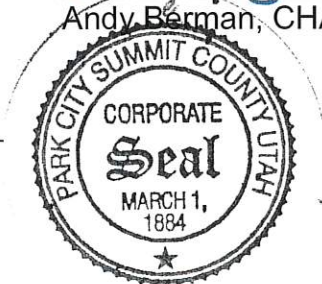
CONFIRMED AND ADOPTED this 18th DAY OF September, 2020.

PARK CITY HOUSING AUTHORITY

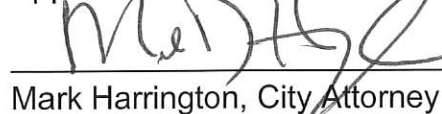


Andy Berman, CHAIR

Attest:


Michelle Kellogg, City Recorder

Approved as to Form:


Mark Harrington, City Attorney

**PARK CITY MEDICAL CENTER
MEDICAL CAMPUS
HOUSING MITIGATION PLAN – 5th AMENDMENT
PARK CITY HOUSING AUTHORITY
9 JULY 2020**

Background

The annexation agreement between Park City and Intermountain Healthcare included affordable housing that needed to be provided.

Affordable Housing Requirements for Hospital

The base employee affordable housing associated with the hospital at full build out was 44.78 units. This part of the affordable housing obligation was to be satisfied by the donation of Lot 4 of the subdivision to Park City, and the construction of the units. These units were eventually relocated from Lot 4 and included in the Park City Heights project.

Affordable Housing Requirements for USSA

- There were 10.71 affordable housing units associated with the USSA facility. These units were deferred.

Affordable Housing Requirements for Medical Support

- There were 34.98 affordable housing units associated with the Medical Support density on the campus.
- The affordable housing obligation of 5.83 units for Lot 7 was assumed by Physician Holdings when they purchased that lot from Intermountain. Physician Holding LLC developed an employee/affordable housing plan which was reviewed by staff, which recommended that the Physician Holding affordable housing obligation, based on their actual development was 4.996 units. This is being fulfilled with the 1440 Empire and Rail Central rental unit dedications approved earlier this year.
- The affordable housing obligation of 5.83 units for Lot 10 was assumed by Summit County when Lot 10 and its density were ground leased to Summit County for the Public Health/People's Health Building.
- The remaining medical support density of 23.32 units were fulfilled with previously approved amendments.
 - 12.5 units associated with Peace House, for the value of the ground lease that Intermountain signed with Peace House.
 - 4.0 units associated with Peace House employee housing, in exchange for a payment of \$816,000 by Intermountain to Peace House.
 - 6.82 units associated with the 1440 Empire and Rail Central rental unit dedications approved earlier this year.

Additional Affordable Housing Requirements Due to Additional Approved Density

The Planning Commission approved Intermountain's request for additional medical support density on the hospital campus. This approval has a condition of approval for Intermountain to provide an additional 20.42 units of affordable housing. The Planning Commission also made a condition of approval that Intermountain needed to submit an amended housing mitigation plan for any proposed use of the additional density before a conditional use permit for the proposed use could be submitted to the Planning Commission.

- In February 2020 the Park City Housing Authority approved 4.5 AUEs towards this new affordable housing obligation, leaving 15.92 AUEs outstanding.

Housing Mitigation Plan for Proposed Ambulatory Surgery Center

Intermountain Healthcare is developing a project to build an ambulatory surgery center on Lot 6 of the campus, using some of the newly approved density.

The proposed ambulatory surgery center is currently planned to use 15,375 square feet of density. This use generates an affordable housing obligation of 6.54 AUEs. Since Intermountain's February 2020 approval provides 4.5 AUEs, there are an additional 2.04 AUEs that Intermountain needs to fulfill in connection with the ambulatory surgery center project.

Requests for Housing Authority Approval

Intermountain Healthcare requests that the Park City Housing Authority approve:

1. Make an in lieu payment of \$794,793 to satisfy the additional 2.04 AUEs.
2. If the actual square footage of the Conditional Use Permit is higher than 15,375 square feet, then an additional amount of in lieu payment will be paid to cover the total needed for the ASC project.
3. This will leave 13.88 AUEs that will need to be fulfilled as Intermountain develops projects to use the remaining additional density.

Benefits of this Proposal

Intermountain believes this proposal has benefits for both Park City and Intermountain.

1. Intermountain is able to proceed with development of the ambulatory surgical center project, providing lower cost surgical care to the residents of Park City.
2. The city gets cash to help fund city affordable housing projects during a time of diminished city revenue.