

Treasure Entitlement

What was approved in 1986?

The 1986 Treasure Hill approval was for 197 residential and 19 commercial Unit Equivalents (UE). A residential UE equates to 2,000 square feet (sf) of development. A commercial UE equates to 1,000 sf.

Treasure Hill Entitlement summary			
	UE's	equivalent	Square feet
residential	197	2,000	394,000
commercial	19	1,000	19,000
total	216		413,000

- The 1986 approval reduced the overall amount of density from what was originally allowed on Treasure Hill from 431 UE's to 216 UE's and consolidated development into one 11.5 acre pad.
- Numerous community benefits were provided including summer and winter trails, 110 acres of open space, skier connection between Main Street and Park City Mountain resort, the Town Lift, Town Bridge Plaza and connection to Main Street.
- Trade-offs to the approval included large scale development in close proximity to Old Town, and potential height, visual impacts and traffic and access issues
- The 413,000 net square feet does not account for any support commercial, other “back of house” or gross square feet that would have to be evaluated under other applicable regulatory code criteria, including affordable housing, support commercial, parking, and fire protection.

What's Happened Since the July 2010 Open Houses?

- Over 20 meetings between City Council Liaisons, Treasure Owners & Staff;
- Sept '10 - Letter of Intent (LOI) entered into defining negotiating parameters & goals;
- Feb '11 – Elliott completes redesign work at direction of PCMC;
- April '11 – 2 public updates & extension of LOI until August 1, 2011.



Park City Mountain Resort's History and Economic ties to Treasure Hill

- After Treasure Hill received its initial approvals PCMR began working with the property owners to examine how a fully integrated skiing pod and auxiliary base area could help energize the Main Street Business District and improve the resort.
- The Town Lift (1985) & Town Bridge (2001) were constructed as part of \$8-9 million dollars in skiing and circulation improvements to the Creole Gulch / Treasure Hill area to establish this vision.
- These improvements were made with the agreement that additional Bed Base to boost revenues for Main Street Businesses and PCMR operations would eventually be established at Treasure Hill. Revenues that would also help offset the construction and operational costs associated with creation of the Town Lift and Town Bridge Pod.



Commitments

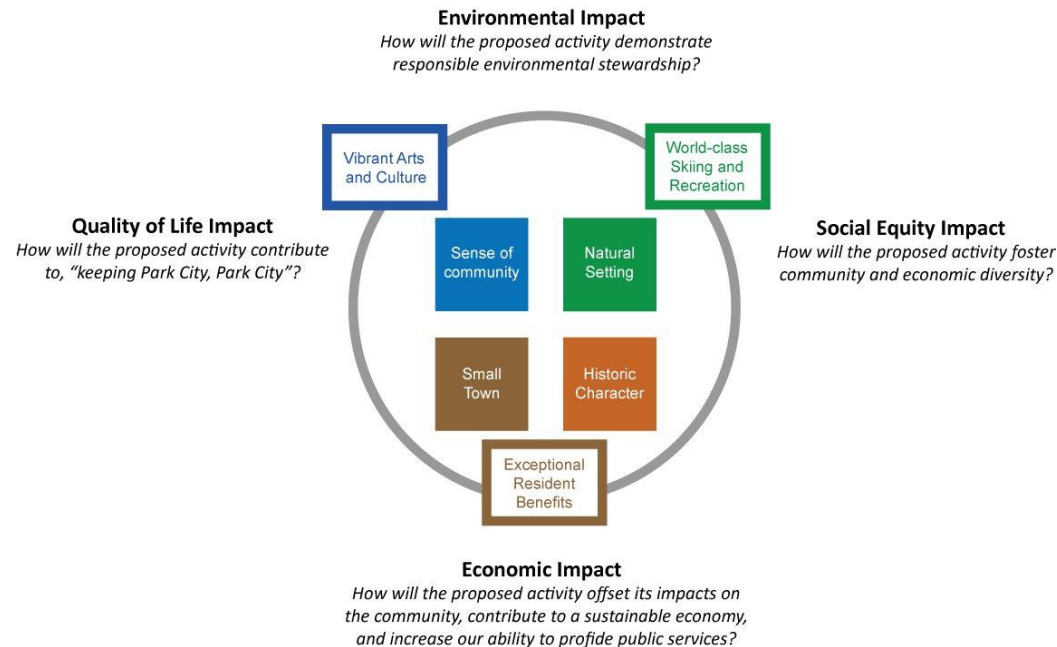
- The Sweeney Family / Treasure Hill Project have committed to a second phase of skiing improvements to Town Lift and the Creole Gulch area to improve lift capacity and speed of access, improve terrain, and create acceptable trails for beginners to access Town Bridge and the project.
- This second phase of improvements is as ambitious and carries similar expense to the first phase of improvements. (another \$8-9 million)
- These investments in the Town Lift skiing pod and access to Main Street are costs attached to the Treasure Hill project and only scheduled to occur with additional bed base in that location.



Current PCMR Involvement

- PCMR is also cognizant of the challenges and impacts associated with operating resort / lodging property at the edge of a neighborhood.
- For all of these reasons PCMR has contributed planning and technical resources, coordinated between property owners, and made land available to fully explore the Option for a Receiving Area closer to the resort.
- The hope would be that this Receiving Area could provide a location for some of the Treasure Density that:
 - Minimizes the development impacts to Old Town Neighborhoods;
 - Maintains existing commitments to improve Old Town skiing connections and;
 - Preserves the economic boost that additional bed base in the area would provide both the Main Street Business District and PCMR.

Community Visioning - Finding balance between economic, community, and environmental goals



Tradeoffs, Levers, and Broad Community Goals

The recent Community Visioning process developed an evaluative framework which identified multiple criteria essential to Park City's long term sustainability: economic impact, environmental impact, quality of life impact and social equity impact. Together they form a network of considerations. The goal is to balance the broad needs of the entire community to make the best decisions for a sustainable future. For the Treasure Hill project this includes balancing important factors beyond direct impacts and/or mitigating impacts of the development such as potential cost of purchase, cost benefit ratio, forgone economic impacts, open space, hot beds, and skier improvements/connection of the resort to Main Street and supporting the overall resort economy.

LOI & Alternatives

- Park City (PCMC) and Treasure Owners entered into an Letter of Intent (LOI) with the following three tenets:
 - Pursue a a complete buyout or transfer of 100% of the density;
 - Consider moving approximately 50% of the density off of Treasure Hill, while keeping a compatibly redesigned hotel and residential project with ski and pedestrian connections to PCMR and Main Street;
 - Participate in a redesign process with the goals of creating a project compatible with Old Town that addresses the impacts of development including height, visual mass and scale, traffic, excavation, etc.

100% Density Removal Option

\$48,000,000

- There has been no agreement between parties on cost or value of a 100% purchase.
- Park City put forth a \$48 Million proposal, which reflects a potential conservation value, not a market value.
- That value or purchase price has not been agreed to by Treasure Owners. The parties are comfortable taking this number to the public for their input.
- The Treasure Owners perceived value for the 100% density reduction includes a series of items beyond just the land and entitlement, including: the open space dedicated in 1986, forgone revenues, and costs of site improvements and other cash expenditures.
- The City has not agreed that these ancillary items have value.

50% Density Removal Option

- 100,000 net sf retired for \$15,000,000;
- 100,000 net sf transferred to new receiving zone.
- 213,000 net sf at Treasure (redesigned hotel & condo);

413,000 net square feet (sf) total vested right

- Net square footage reflects residential and commercial entitlement only;
- Gross square footage (back of house) will include items such as affordable housing, parking, support commercial, fire protection, hallways, mechanical, etc.
- Parties will agree to a hard limit on gross square feet, based on current market data.
- Lengthy discussions have occurred over the “appropriate” amount of back of house – considering efficiency vs. design as well as service level provided by hotel.

Redesign

by Craig Elliott

- Redesign Process
 - Options
 - Preferred option
 - Mitigating for impacts through better design
 - Height, massing scale
 - Traffic, transit, connectivity, deliveries, and underparking
 - Building efficiency
- Pending CUP Application v. Redesign Concept
 - Visuals & renderings

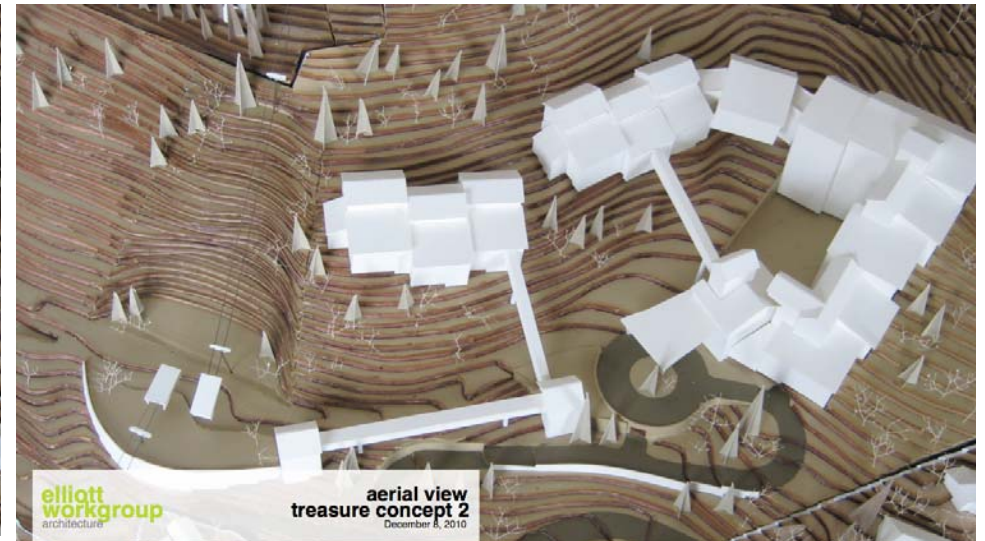
Pending Application



Redesign Options – Aerial Views



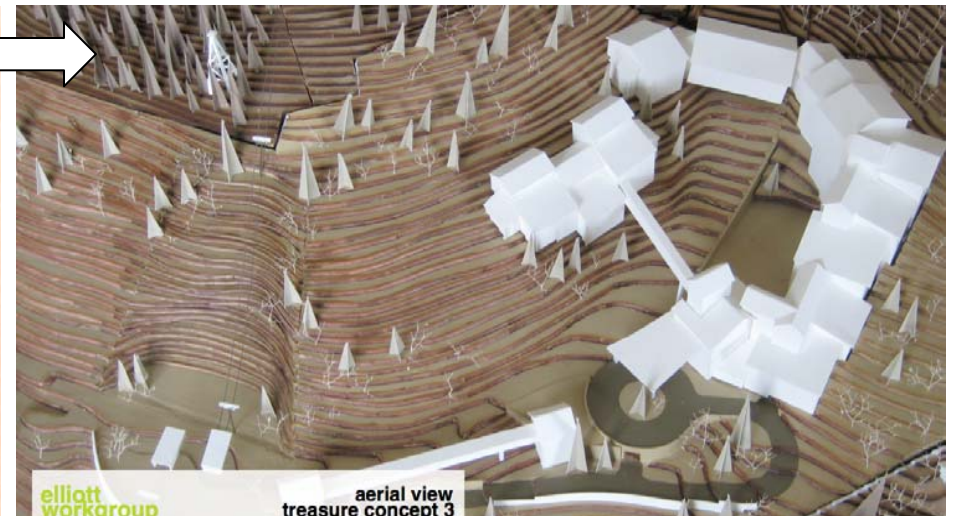
Pending Application redesigned w/ 50% Density removal – not used



Initial Alternative Redesign Concept – not used



Preferred Concept Redesign



Preferred Concept Redesign



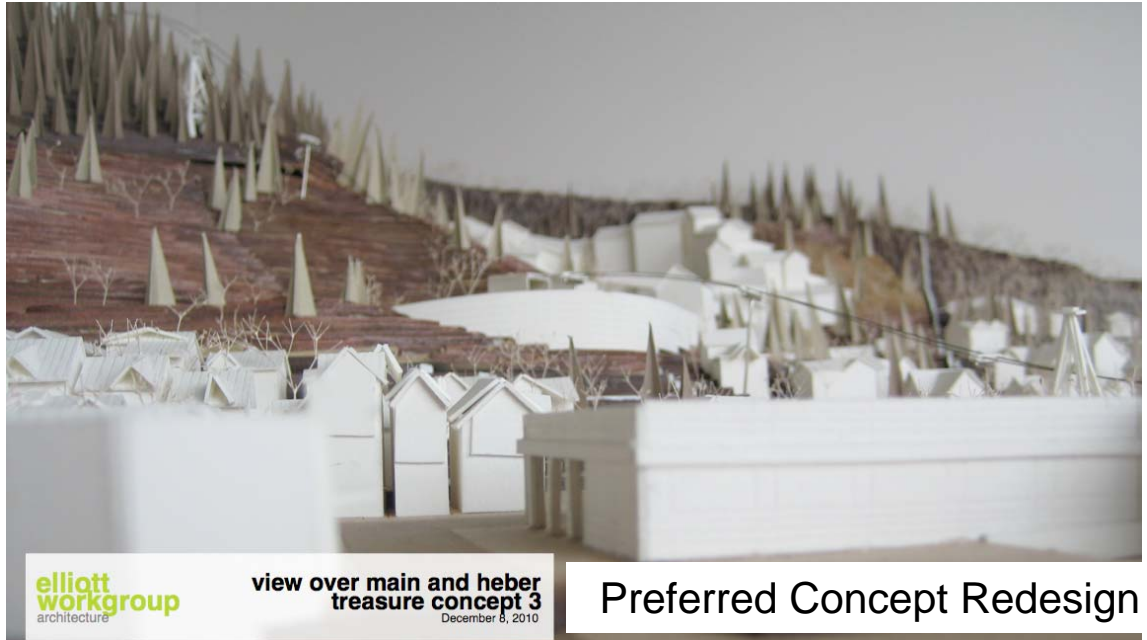
Pending Application



**elliott
workgroup**
architecture

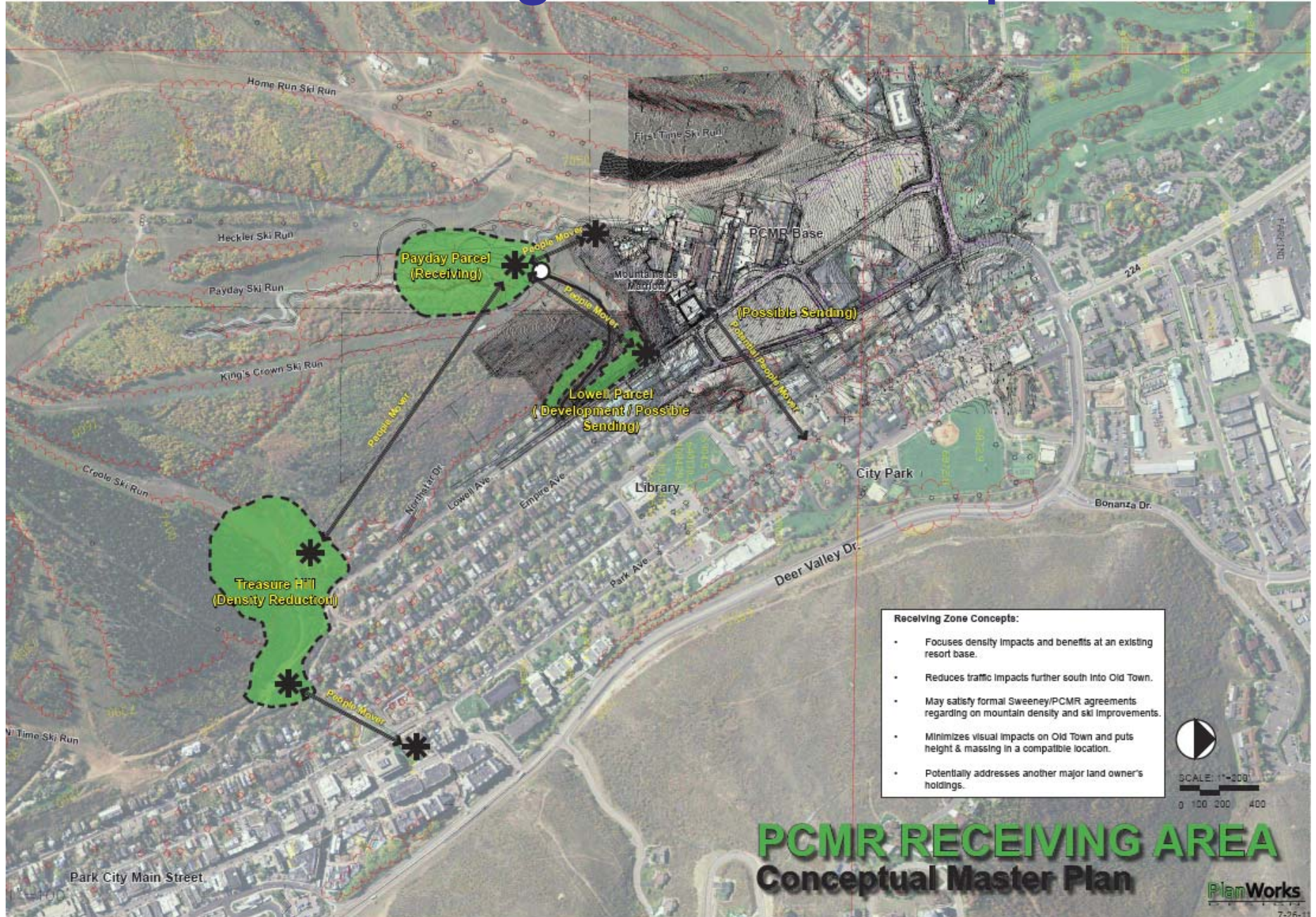
**view over lower main
treasure concept 3**
December 8, 2010

Preferred Concept Redesign



Pending Application

Receiving Zone Concept



Mitigating for Impacts Through Redesign & New Receiving Zone

- Height , massing scale significantly improved
- Traffic impacts minimized
 - ½ density
 - Major reduction in required parking:
 - Facilitate use of mass transit
 - Minimize excavation, construction & back of house
 - Improve delivery access
 - Less traffic impacts on Old Town
 - Connectivity to resort base
 - Infrastructure at resort base
 - Treasure hotel guests won't have as many cars
- Keeps economic generator & hot beds attached to Main Street
- Keeps PCMR & Main Street Connection
- Keeps Ski Improvements (uphill capacity improvements & ski runs)

Potential cost of Public bonds

Bond Amount (millions)	Annual cost to primary resident per \$100k assessed value	Annual cost to primary resident per \$800k assessed value
\$5	\$4	\$34
\$10	\$9	\$68
\$15	\$13	\$102
\$20	\$17	\$136
\$25	\$21	\$170
\$50	\$43	\$340
\$75	\$64	\$510
\$100	\$85	\$680
\$125	\$106	\$850

15 year pay off @ 3.5 %

Next Steps

- **Confirm the proposed options are the right ones through:**
 - Surveys (tonight & citizen's satisfaction survey);
 - Ongoing Public process including City Council and/or Planning Commission work sessions.
- **If we are on the right path, the following will need to be addressed:**
 - Extend Letter of Intent between parties to continue negotiations;
 - Enter into a Purchase and/or density transfer agreement;
 - Consider amending TDR (transfer density rights) ordinance to create a new receiving zone at PCMR;
 - Planning Commission consider specific TDR proposal;
 - CUP/MPD amendments for Treasure;
 - CUP/MPD for Receiving Zone;
 - Place a bond on the November ballot?
- **If we don't pursue \$48 M or \$15M for density buy down options, we may:**
 - Terminate negotiations (don't extend LOI). Pending application would move forward; or
 - Less cash & expand receiving zone to take up to $\frac{1}{2}$ Treasure density (not just $\frac{1}{4}$)?