

# MEMORANDUM

TO: Hailey Mayor and City Council Members

FROM: Ned C. Williamson and Mariel Platt

DATE: August 6, 2012

RE: Local Option Tax Proposal; Joint Powers Agreement

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An Attorney General's opinion was recently issued, which states that funding of MRG's by governmental entities is legal. Armed with this opinion, Fly Sun Valley Alliance is now proposing that Hailey, Ketchum and Sun Valley submit a ballot question for the purpose of raising each city's local option tax (LOT) by one percent (1%) to fund minimum revenue guarantees ("MRG's") and marketing.

It has been suggested that the three cities and Blaine County enter into a joint powers agreement (JPA) before the question whether to raise the LOT is placed on the ballot. I am attaching a proposed JPA. This JPA does not create a separate legal entity. As allowed by Idaho Code § 67-2328, the JPA creates a joint board to administer the joint undertaking.

In my discussions and meetings with Fly Sun Valley Alliance and the cities, I primarily advocated for two points. First, I argued that it is preferable to reach a consensus on the JPA before the ballot question is submitted. It is my understanding that this version of the JPA is being circulated to the three cities and the county in early August, with the goal of reaching a consensus on the language. Second, I advocated that Hailey have sole and exclusive control where any 1% increase would go. This language is now in the proposed JPA. *See § 7.*

For the purpose of this meeting, I would encourage you to focus on whether you want to place the 1% LOT increase on the ballot and if so, whether you have any suggested revisions to the JPA. As part of this discussion, you will need to decide where the 1% increase should apply. Under our present LOT ordinance, rental vehicles and hotel-motel rooms are charged 3%, liquor by the drink is charged 2% and restaurant food is charged 1%. If you decide to proceed with the increase in the LOT, then you need to decide whether to all of these categories on the ballot, or some but not all of the categories on the ballot.

If you have any questions, please contact me.

RECEIVED  
AUG 13 2012

To the Hailey City Council:

8/13/12 BY: FILE Mayor, CC, HD, N  
MA

I read the article in the Friday August 10, 2012 Mountain Express about the air service funding (and assuming that the paper was accurate), I couldn't agree more with Martha Burke's comments on this issue. The LOT in Hailey restaurants is taxing the citizens of Hailey who are already paying taxes. The idea of the LOT is to tax those visitors who use our public facilities but don't pay our property taxes. Our business at daVinci's is over 90% locals in the summer and over 95% locals the rest of the year. Our customers are already paying their share of taxes. To charge them a LOT for going out to dinner in their own town is not fair. Why are we penalizing our own property tax paying citizens with higher prices for shopping locally? Don't we want them to shop locally?

When we opened daVinci's 16 years ago, state sales tax was 5%. That was great. Then the state of Idaho temporarily raised the state sales tax to 6% and then lowered it back to 5%. Unfortunately, it was raised permanently to 6% shortly after it was returned to 5%. Then the Hailey LOT came along and raised the tax in our restaurant from 6% to 8% for beer and wine and 7% for food. If this new 1% increase comes to pass for restaurants, then the tax on beer and wine would be 9% and the tax on food would be 8%. That would mean the tax on beer and wine would be almost double what it was when we opened daVinci's in 1996. That is a staggering increase, and totally unfair to our customers, the citizens of Hailey.

The LOT on hotels and car rentals does follow the idea of a LOT, but the one on Hailey restaurant food and beverages does not. To raise an already unfair restaurant LOT by 1% is just plain wrong.

Sincerely,  
Larry Schwartz  
Owner/operator  
daVinci's  
Hailey, Idaho.

(208) 788-7699

Larry Schwartz  
Jennifer Schwartz



**daVinci's**  
the local's Italian restaurant

Located at: 17 West Bullion • Hailey, Idaho  
Mailing Address: P.O. Box 3623 • Ketchum, Idaho 83340

To Whom It May Concern:

As the owner of Zou 75 in Hailey I have followed the airport discussions very closely. As a restaurant with full liquor we are obviously very involved in the LOT tax situation. I feel VERY STRONGLY that using a new LOT to cover the proposed new MRG program is imperative to our future. It is a welcome pass through and anyone who has done their homework comparing us to our competitor markets should welcome it with open arms. Not only am I writing this letter to support it but also to ask that it be enacted expeditiously so that we may begin to market to larger target areas. Thank you for your consideration.

Sincerely,



Rob Cronin  
521 Deertrail Drive  
Hailey

RECEIVED  
AUG - 6 2012

BY: FILE Maps, CC, HD, NW, M

# BUCKLE UP

TOURING PRO DIVISION



## SATURDAY AUGUST 11, 2012 7 P.M. HAILEY, ID

TICKETS AVAILABLE AT:  
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**(208) 788-3484**



# County leaders meet to discuss air-service funding, agreement

### Entities hash out details face-to-face

By **KATE WUTZ**  
Express Staff Writer

Representatives from Hailey, Ketchum, Sun Valley and Blaine County were set to meet Thursday and discuss final language for a joint powers agreement that could govern how public funds would be used to secure and expand the valley's commercial air service.

**"We will sit in that room and not leave until that joint powers agreement is workable,"**

**Martha Burke**  
Friedman Memorial Airport Authority

Friedman Memorial Airport Authority member Martha Burke said during Tuesday night's Airport Authority meeting that representatives from the cities as well as their attorneys would hash out an agreement on how funds for minimum revenue guarantees would be allocated.

"We will sit in that room and not leave until that joint powers agreement is workable," Burke said.

Fly Sun Valley Alliance member Dick Fenton said that the county's deputy prosecuting attorney, Tim Graves, had received an invitation but that the county would need to decide which commissioner would attend.

Burke said that the Hailey City Council, of which she is a member, agreed earlier this week that it supported a supplemental local option tax to fund minimum revenue guarantees for airlines that may not otherwise fly into the Friedman Memorial Airport.

However, she said, the council wants an agreement that would not tax locals unfairly.

"It's easier for citizens to support an LOT that mostly tourists pay, which would be on car rentals and lodging," she said.

Car rentals are currently taxed at 3 percent, lodging at 2 percent and restaurant and liquor-by-the-drink sales at 1 percent.

Burke said that the joint powers agreement should exclude restaurants, however, as those are usually frequented by valley locals. The Hailey City Council is to continue discussion on the parameters of the proposed tax at a future meeting.

The results of the meeting on a joint powers agreement were not available as of press time on Thursday afternoon. How-

ever, Burke said that the deadline is fast approaching for ballot language and a joint powers agreement.

In order to be included on the November 2012 ballot, a question asking voters whether they support a 1 percent supplemental local option tax for minimum revenue guarantees and additional marketing would need to be submitted to the county by Sept. 7.

## Burke lobbies for Baird raise

Friedman Memorial Airport manager Rick Baird will not get a raise next year, according to the airport's budget, which was approved on Tuesday night. Baird currently makes \$82,500 per year.

Friedman Memorial Airport Authority member Martha Burke said that she asked Baird about the lack of increase, but he refused it.

"He said he would not ask for that with the current economic times," Burke said. "But I am not going to let another year go where we don't prepare ourselves to present our manager with an appropriate raise."

Month of L.O.T. Payment to Retail Establishment (City receives in month following payment to business) (at 6/29/12)	Lodging & Rental Cars 3% Tax (10 Businesses)	Alcohol Beverages 2% Tax (24 Businesses)	Restaurant Food 1% Tax (32 Businesses)	Monthly Total	Penalty
FYE 9/30/2006 (3 months collected in first year)	\$79,998.51	\$11,959.47	\$31,274.14	\$123,232.12	\$ -
FYE 9/30/2007	\$219,816.63	\$47,957.72	\$105,888.56	\$373,662.91	\$346.34
FYE 9/30/2008	\$215,375.75	\$45,661.79	\$110,790.35	\$371,827.89	\$1,235.36
FYE 9/30/2009	\$163,489.38	\$40,465.86	\$102,727.58	\$306,682.82	\$1,093.57
FYE 9/30/2010	\$163,137.76	\$43,749.89	\$104,365.59	\$311,253.24	\$587.02
FYE 9/30/2011	\$158,010.54	\$45,845.48	\$111,747.96	\$315,603.98	\$750.76
2012					
October	\$9,694.12	\$3,845.83	\$9,236.53	\$22,776.48	\$1.29
November	\$5,568.65	\$3,396.33	\$7,385.93	\$16,350.91	\$48.53
December	\$11,245.81	\$4,490.20	\$9,371.48	\$25,107.49	\$45.35
January	\$15,351.36	\$3,528.35	\$8,823.85	\$27,703.56	\$113.20
February	\$13,310.72	\$3,587.91	\$8,229.29	\$25,127.92	\$39.24
March	\$14,311.00	\$3,865.60	\$8,258.30	\$26,434.90	\$0.00
April	\$5,817.62	\$3,072.34	\$8,064.05	\$16,954.01	\$27.08
May	\$6,717.64	\$3,409.94	\$7,966.84	\$18,094.42	\$88.93
June	\$10,299.91	\$3,659.28	\$8,946.08	\$22,905.27	\$9.15
FYE 9/30/2012 (9 months collected ytd)	\$92,316.83	\$32,855.78	\$76,282.35	\$201,454.96	\$372.77
GRAND TOTAL SINCE INCEPTION	\$1,092,145.40	\$268,495.99	\$643,076.53	\$2,003,717.92	\$4,385.82
6-Year Average Collection in Each Category	\$182,024.23	\$44,749.33	\$107,179.42	\$333,952.99	
1% Additional for FSVA MRG's	\$60,674.74	\$22,374.67	\$107,179.42	\$190,228.83	

DRAFT BALLOT QUESTION

SPECIAL NON PROPERTY TAX ELECTION

CITY OF HAILEY  
STATE OF IDAHO

November 6, 2012

QUESTION: Shall the City of Hailey, Idaho (the "City") adopt Ordinance No. [\_\_\_\_], which shall provide for the imposition and collection of, for a period of five (5) years from its effective date of January 1, 2013, certain non-property taxes to raise the current rates of LOT as follows:

(A) **An additional one percent (1%)** tax on the retail sale price of food, meals or drinks, and nondepreciable goods and services directly consumed by customers included in the charge thereof, which are furnished, prepared and sold on the premises and which are customarily furnished, prepared and sold as the primary use of the premises.

(B) **An additional one percent (1%)** tax on the retail sales price of liquor-by-the-drink, including alcohol, spirits, wine, beer and all other alcoholic beverages, for consumption on the premises.

(C) **An additional one percent (1%)** tax on the total amount charged for rental use or temporary occupancy of a room or living unit in a hotel or motel.

(D) **An additional one percent (1%)** tax on the total amount charged for rental use of a rental vehicle.

The purposes for which the revenues derived from the additional one percent (1%) of each of said taxes shall be used, pursuant to a joint powers agreement, are as follows:

- a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees or other inducements to providers;
- b) promoting the existing service and any future service to increase passengers;
- c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs; and
- d) direct costs to collect and enforce the tax, including administrative and legal fees.

all as provided in Ordinance No. [\_\_\_\_] adopted by the Council of the City of Hailey on \_\_\_\_\_, 2012?

<b>IN FAVOR</b>	→	<input type="checkbox"/>
<b>AGAINST</b>	→	<input type="checkbox"/>

## Heather Dawson

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**From:** Heather Dawson  
**Sent:** Friday, August 17, 2012 9:41 AM  
**To:** 'Mike Stoddard'; carol@flysunvalleyalliance.com; Tom Jones; Ned Williamson; abk@ketchumlegal.com; SJB@msbtlaw.com; tgraves@co.blaine.id.us; svmichelleski@gmail.com; byoungman@svidaho.org; seder@sunvalley.net; dfenton@mdfrealtors.com; jsibbach@sunvalley.com; tbowman@co.blaine.id.us; Sun Valley Shutters & Shades; vegger@svidaho.org; Julia Kinsey-Lovey  
**Subject:** RE: Joint Powers Agreement [IWOV-DMSMSG1.FID534170]

Thank you Mr. Stoddard.

I will use this version for the Hailey City Council packet!

Heather Dawson  
Hailey City Administrator

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**From:** Mike Stoddard [mailto:mstoddard@hawleytroxell.com]  
**Sent:** Friday, August 17, 2012 9:33 AM  
**To:** carol@flysunvalleyalliance.com; Tom Jones; Ned Williamson; abk@ketchumlegal.com; SJB@msbtlaw.com; tgraves@co.blaine.id.us; svmichelleski@gmail.com; byoungman@svidaho.org; Heather Dawson; seder@sunvalley.net; dfenton@mdfrealtors.com; jsibbach@sunvalley.com; tbowman@co.blaine.id.us; Sun Valley Shutters & Shades; vegger@svidaho.org; Julia Kinsey-Lovey  
**Subject:** RE: Joint Powers Agreement [IWOV-DMSMSG1.FID534170]

Version 11 attached, continually cleaning up the language. Let's see if we can keep it below Version 20 until after the election. Thanks Mike

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**From:** Mike Stoddard  
**Sent:** Wednesday, August 15, 2012 9:12 AM  
**To:** 'carol@flysunvalleyalliance.com'; Tom Jones; 'wlo@cox-internet.com'; 'abk@ketchumlegal.com'; 'SJB@msbtlaw.com'; 'tgraves@co.blaine.id.us'; 'svmichelleski@gmail.com'; 'byoungman@svidaho.org'; 'heather.dawson@haileycityhall.org'; 'seder@sunvalley.net'; 'dfenton@mdfrealtors.com'; 'jsibbach@sunvalley.com'; 'tbowman@co.blaine.id.us'; 'Sun Valley Shutters & Shades'; 'vegger@svidaho.org'; Julia Kinsey-Lovey  
**Subject:** RE: Joint Powers Agreement [IWOV-DMSMSG1.FID534170]

Folks:

Not certain who has distributed what version so far. Attached is a clean, dated 8/15, which includes the two new small changes. And then a blackline showing all changes back to the Aug. 9 draft, and a blackline showing the two changes against yesterday's draft. Mike

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**From:** Mike Stoddard  
**Sent:** Tuesday, August 14, 2012 10:22 AM  
**To:** 'carol@flysunvalleyalliance.com'; Tom Jones; 'wlo@cox-internet.com'; 'abk@ketchumlegal.com'; 'SJB@msbtlaw.com'; 'tgraves@co.blaine.id.us'; 'svmichelleski@gmail.com'; 'byoungman@svidaho.org'; 'heather.dawson@haileycityhall.org'; 'seder@sunvalley.net'; 'dfenton@mdfrealtors.com'; 'jsibbach@sunvalley.com'; 'tbowman@co.blaine.id.us'; 'Sun Valley Shutters & Shades'; 'vegger@svidaho.org'  
**Subject:** RE: Joint Powers Agreement [IWOV-DMSMSG1.FID534170]

Folks:

Per Carol's request, attached is a clean and a blackline showing changes back to my second draft of August 9<sup>th</sup>. These reflect the cumulative changes made by various parties over the past 5 days. Thanks Mike

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**From:** Mike Stoddard

**Sent:** Thursday, August 09, 2012 2:06 PM

**To:** 'carol@flysunvalleyalliance.com'; Tom Jones; 'wlo@cox-internet.com'; 'abk@ketchumlegal.com'; 'SJB@msbtlaw.com'; 'tgraves@co.blaine.id.us'; 'svmichelleski@gmail.com'; 'byoungman@svidaho.org'; 'heather.dawson@haileycityhall.org'; 'seder@sunvalley.net'; 'dfenton@mdfrealtors.com'; 'jsibbach@sunvalley.com'; 'tbowman@co.blaine.id.us'; 'Sun Valley Shutters & Shades'

**Subject:** RE: Joint Powers Agreement [IWOV-DMSMSG1.FID534170]

Folks:

Attached is a new clean, and also a blackline, reflecting Carol and Michelle's clean-up. Thanks Mike

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**From:** Mike Stoddard

**Sent:** Thursday, August 09, 2012 12:38 PM

**To:** 'carol@flysunvalleyalliance.com'; Tom Jones; wlo@cox-internet.com; abk@ketchumlegal.com; SJB@msbtlaw.com; tgraves@co.blaine.id.us; svmichelleski@gmail.com; byoungman@svidaho.org; heather.dawson@haileycityhall.org; seder@sunvalley.net; dfenton@mdfrealtors.com; jsibbach@sunvalley.com; tbowman@co.blaine.id.us; 'Sun Valley Shutters & Shades'

**Subject:** RE: Joint Powers Agreement [IWOV-DMSMSG1.FID534170]

I assumed that Blaine County would in any event have a member on the Board. However, that Board member from Blaine County would have no voting percentage if Hailey has a member on the Board (essentially, being a non-voting board member, without actually using that terminology). That is why the reference is to paragraph C, rather than to paragraph F. Mike

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**From:** Carol Waller [mailto:carol@flysunvalleyalliance.com]

**Sent:** Thursday, August 09, 2012 11:39 AM

**To:** Tom Jones; wlo@cox-internet.com; abk@ketchumlegal.com; SJB@msbtlaw.com; tgraves@co.blaine.id.us; svmichelleski@gmail.com; byoungman@svidaho.org; heather.dawson@haileycityhall.org; seder@sunvalley.net; dfenton@mdfrealtors.com; jsibbach@sunvalley.com; tbowman@co.blaine.id.us; 'Sun Valley Shutters & Shades'; Bob Youngman

**Cc:** Mike Stoddard

**Subject:** RE: Joint Powers Agreement [IWOV-DMSMSG1.FID534170]

**Importance:** High

Thank you Tom/Mike for getting this done so quickly – much appreciated!

My comments:

I think the first change wording was missed, need to add MRGs to that 6<sup>th</sup> WHEREAS.

Need to reference subparagraph F instead of C

I think need to describe why the 20% vote allocation, so suggested wording below

Otherwise it seems like you got all the changes...but will wait a little bit for others to weigh in so you can make changes before we provide to City of SV and others this afternoon.

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRGs and promotion of commercial air service; and

- A. Subject to subparagraph F below, one (1) member from Blaine County to be appointed by the Board of County Commissioners.
- F. In recognition of the ownership of Friedman Memorial Airport that is shared jointly by the City of Hailey and Blaine County, 20% of the voting rights of the Board members will be allocated to the member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 20% shall be allocated to the member appointed by Blaine County. The remaining 80% of voting rights shall be allocated among the Board members appointed by the City Parties based on their respective annual monetary contributions. The initial allocation of those voting rights shall be determined using each City Party's prior fiscal year budget and assuming the Ballot Questions had already passed and contributions made based on such prior fiscal year numbers. Each year thereafter, when the members of the Board meet to adopt the budget as described below, the voting percentages shall be revised as necessary to reflect each City Party's actual monetary contribution to the Board during the prior fiscal year.

*Carol Waller, Director*  
[carol@flysunvalleyalliance.com](mailto:carol@flysunvalleyalliance.com)  
[www.flysunvalleyalliance.com](http://www.flysunvalleyalliance.com)  
208-720-3965



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**From:** Tom Jones [mailto:[tjones@hawleytroxell.com](mailto:tjones@hawleytroxell.com)]  
**Sent:** Thursday, August 09, 2012 10:58 AM  
**To:** [carol@flysunvalleyalliance.com](mailto:carol@flysunvalleyalliance.com); [wlo@cox-internet.com](mailto:wlo@cox-internet.com); [abk@ketchumlegal.com](mailto:abk@ketchumlegal.com); [SJB@msbtlaw.com](mailto:SJB@msbtlaw.com); [tgraves@co.blaine.id.us](mailto:tgraves@co.blaine.id.us); [svmichelleski@gmail.com](mailto:svmichelleski@gmail.com); [byoungman@svidaho.org](mailto:byoungman@svidaho.org); [heather.dawson@haileycityhall.org](mailto:heather.dawson@haileycityhall.org); [seder@sunvalley.net](mailto:seder@sunvalley.net); [dfenton@mdfrealtors.com](mailto:dfenton@mdfrealtors.com); [jsibbach@sunvalley.com](mailto:jsibbach@sunvalley.com); [tbowman@co.blaine.id.us](mailto:tbowman@co.blaine.id.us)  
**Cc:** Mike Stoddard  
**Subject:** Joint Powers Agreement [IWOV-DMSMSG1.FID534170]

Folks: Attached are clean and redline versions of the Joint Powers Agreement for your review. Please contact us with any questions/comments. Thanks!

Tom



Please consider the environment before printing this email.

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Tom Jones  
Legal Administrative Assistant to  
Nicholas G. Miller  
Michael M. Stoddard  
S. C. Danielle Quade  
Nicole Trammel  
Shonna J. Russell  
direct 208.388.4976  
fax 208.954.5229  
web [hawleytroxell.com](http://hawleytroxell.com)  
e-mail [tjones@hawleytroxell.com](mailto:tjones@hawleytroxell.com)

**JOINT POWERS AGREEMENT ESTABLISHING  
THE SUN VALLEY AIR SERVICE BOARD  
TO RETAIN, IMPROVE AND DEVELOP COMMERCIAL AIR TRANSPORTATION  
SERVICES AT FRIEDMAN MEMORIAL AIRPORT**

\_\_\_\_\_, 2012

This Agreement ("Agreement"), made and entered into on \_\_\_\_\_, 2012, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), (collectively known as "Cities"), and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties;"

**WITNESSETH:**

WHEREAS, the Friedman Memorial Airport Authority ("FMAA"), of which Hailey and Blaine County are members, operates the Friedman Memorial Airport (the "Airport"), and over the past six years commercial enplanements have decreased to the Airport; and

WHEREAS, the Parties recognize both year-round tourism and commerce are primary contributors to the economic base of Blaine County and its Cities; and

WHEREAS, air service to the Airport is critical for such year-round tourism and commerce; and

WHEREAS, each of the respective City Councils of the Cities of Ketchum, Sun Valley, and Hailey have voted in properly noticed public meetings to place before their respective voters on the November 6, 2012, ballot, the question of a 1% Local Option Tax ("LOT") (the "Ballot Questions") to fund retention, improvement and development of commercial air transportation services to the Airport; and

WHEREAS, an opinion from the Office of the Attorney General dated March 12, 2012, to Representative Wendy Jaquet (the "AG Opinion"), indicates that general authority exists under Idaho Statute 67-2328 for cities and counties to enter into a joint powers agreement to provide for agreements for air service, including minimum revenue guarantees ("MRG's"); and

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRG's and promotion of commercial air service to increase seats and enplanements to the Airport; and

WHEREAS, this Agreement will create the separate legal entity described below, the Sun Valley Air Service Board (the "Board"), which will contract with one or more parties, pursuant to Contracts for Services as described herein, to discharge the Board's duties and responsibilities described in the Ballot Questions; and

WHEREAS, each of the Parties has made findings regarding the need for this Agreement to satisfy the duties and responsibilities described in the Ballot Questions; and

WHEREAS, the City Parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code Sections 50-321, 50-322, 21-110, 21-401 and related statutes to undertake the responsibilities contemplated by the Ballot Questions; and

WHEREAS, the County, pursuant to Idaho Code Sections 31-110, 21-876 and related statutes, in coordination with Hailey, provides for the operation of the Airport through the FMAA and the County as a Party to this Agreement may assist in discharging the duties contemplated by the Ballot Questions; and

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code Sections 67-2328, *et seq.*, and Idaho Code Section 21-403, to create and maintain the Authority to discharge the duties and responsibilities set forth in the Ballot Questions;

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual term, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. **Establishment of Separate Legal Entity; Governance.** The Parties hereto hereby establish the Sun Valley Air Service Board ("Board") as a separate legal entity and delegate each Party's respective power to the Board to oversee and administer the joint undertakings contemplated herein. Parties will join and become members of the Board upon execution of this Agreement by their respective governing body.
2. **Board Membership.** The representatives of the Parties who shall be members of the Board shall be configured as described below:
  - A. One (1) member from the City of Ketchum, one (1) member from the City of Sun Valley and one (1) member from the City of Hailey shall be respectively appointed by the Mayors of Ketchum, Sun Valley and Hailey with the consent and approval of the City Council of each city.
  - B. One (1) member from Blaine County shall be appointed by the Board of County Commissioners.
  - C. Each of the Parties shall establish its own Board member qualification criteria subject to subparagraph E.
  - D. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Board has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Board.
  - E. Members of the Board shall be appointed without respect to political affiliation or religious denomination. Any person over the age of eighteen (18) may be eligible for appointment.
  - F. Members of the Board shall serve without compensation.

**3. Board Member Voting Power & Voting Majority.**

- A. City Parties shall retain 90% of the voting rights and voting rights shall be allocated among all Board members based on their respective annual 1% LOT contributions to the Board. The initial allocation of these voting rights shall be determined using each City Party's year ending September 30, 2012, total fiscal year actual LOT revenue collection on taxable sales described in the Ballot Questions. Each year thereafter, the voting percentages shall be revised as necessary to reflect each City Party's year ending September 30 actual 1% LOT revenue contributions to the Board.
- B. Blaine County shall not have a vote as a member of the Board, except in the instance described herein. In recognition that Friedman Memorial Airport is jointly owned by the City of Hailey and Blaine County, 10% of the voting rights of the Board members will be allocated to the Board member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 10% shall be allocated to the Board member appointed by Blaine County.
- C. Voting Majorities. The members of the Board shall take action upon the affirmative vote of those members holding more than 50% of the voting rights, unless otherwise provided herein. A super-majority of two-thirds of those members holding voting rights shall be needed to (1) change an entity or contractor with a Contract for Services in excess of \$50,000 to a different entity and/or contractor; and (2) approve any initial performance metrics and change in performance metrics determined jointly by members of the Board and contractor(s) as identified in the Contracts for Services.

**4. Term of Office.** The term of office on said Board shall be for the following initial terms:

- 1 member from Ketchum for one (1) year
- 1 member from Sun Valley for one (1) year
- 1 member from Hailey for one (1) year
- 1 member from Blaine County for one (1) year

Subsequent appointments shall be for one (1) year and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms or removal shall be filled for the remainder of the term by the Party that appointed the board member. Removal of any member may only be made by the Party that appointed such board member.

**5. Organization Bylaws.** The Board shall be governed by the Bylaws specifying the procedural method and manner by which it shall conduct its business and affairs, provided, however, that said Bylaws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Board to act. The Bylaws shall provide, among

other items, that a majority of the members of the Board shall constitute a quorum. A non-voting member is not a member for quorum purposes.

**6. Purposes and Powers.** The purpose of the Board is to establish, implement, maintain and fund a program to retain, improve and develop commercial air service to Friedman Memorial Airport. In furtherance of that purpose, the Parties hereto hereby delegate to the Board their power to carry out the duties as described and contemplated by the Ballot Questions, including entering into Contracts for Services with such entities as the Board may select, subject to the specific LOT allocations of the City Parties. It is anticipated that the Board will have no employees and that, except for the holding, distribution and oversight of the monetary contributions and entering into Contracts for Services, the Board will have a very limited scope of operation. Such delegated powers shall more specifically include, but not be limited to, the following:

- A. The Board, as allowed under state and federal statutes, may apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;
- B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, personal property, including money, necessary to carry out the purposes of the Board and to invest and hold such money until distributed for the purposes contemplated by the Ballot Questions;
- C. To fund administrative costs, if any, to carry out the purposes of the Board;
- D. To contract with public or private agencies, companies or entities to retain, improve and develop commercial air transportation services to Friedman Memorial Airport, including contracting with third parties pursuant to Contracts for Services;

**7. Manner of Financing.** The Board shall annually adopt a budget. Subject to the provisions herein, each City Party hereto will annually contribute monthly to the Board the money collected pursuant to their respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees; each City has the option to direct its monetary contribution to those purposes it specifically directs as allowed by the Ballot Questions, except for contributions to cover a pro-rata share of administrative expenses, if any, of the Board; provided, however, in the event of any litigation or other challenges to the Ballot Questions, this Agreement, the Board, or any related matters, each City shall contribute a pro-rata share of its contribution to defray any expenses related thereto. During each fiscal year, the City Parties shall contribute monthly to the Board their respective amount of money collected, less their direct costs to collect and enforce the tax, including administrative and legal fees, subject to allocations approved by each City Party's governing board.

- A. In adopting the annual budget, each City Party must contribute the money collected pursuant to its respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees. The County,

in its discretion, may contribute funds to the Board; it is anticipated that the County will continue its historical support for the Airport.

- B. Any entity may contribute additional funds to the Board. It is anticipated that Sun Valley Company will fund fifty percent (50%) of any MRG expenses and will provide marketing support for the air service in collaboration with the airlines and other community marketing efforts.
- C. Any funds received by the Board shall be used for payments to entities pursuant to the Contract for Services, as contemplated by the Ballot Questions, for the purposes authorized therein. The budgeting, allocation and use of said funds by the Board shall be in accordance with the purposes and powers herein provided for, and in no event shall the Board use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Board by the Parties. All specific allocations of LOT proceeds by a City Party shall be followed by the Board in its budget and actual spending.
- D. An annual audit or similar financial review shall be conducted consistent with Idaho statutory requirements.
- E. So as to minimize Board expenses, all City Parties may agree to share in the administrative tasks of the Board through pro-rata contribution of their City staff time to perform such tasks.

**8. Contracts for Services.** The initial Contracts for Services with entity(ies) selected by the Board shall be entered into as soon as practicable following the appointment of the Board Members and passage of the Ballot Questions. Each year thereafter, the Board shall enter into similar contracts with such entities as the Board may select. The Contracts for Services shall (i) set forth those specific services which are to be provided consistent with the Ballot Questions, (ii) provide for detailed reporting to the Board and, as appropriate directly to the Parties, of how funds were spent in sufficient detail to demonstrate compliance with constitutional and statutory guidelines as reflected in the AG Opinion; (iii) include performance metrics consistent with expectations for the work to be performed. A Contract for Services may be for more than one year, but must explicitly state that annual funding is subject to annual appropriations which meet the Cities' statutory limitations.

**9. Duration.** The duration of the Board created by this Agreement shall be for a period of at least five and one-half years; provided, however, that the same may be extended for an additional period of time, as the Parties hereto deem appropriate in order to expend the monies and satisfy the purposes set forth in the Ballot Questions. Any such extension of this Agreement shall be in writing, adopted by the governing body of each of the Parties hereto.

No Party may withdraw from the Agreement, except that any City Party that has failed to pass its Ballot Question shall be deemed to have withdrawn from this Agreement once such election results have been certified. Should no City Party pass a Ballot Question, this Agreement shall be terminated.

**10. Dissolution of the Board.** Parties, upon the dissolution of the Board created by this Agreement or any extension or renewal thereof, for whatever reason, may agree to (1) distribute the personal property owned by the Board among themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each; or (2) to sell the property in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided among the Parties hereto in proportion equal to the annual operating contributions of each to the Board since its inception.

**11. Mediation.** Any controversy or claim arising out of or relating to this Agreement or breach thereof, shall be submitted to non-binding mediation upon the written request of any Party and conducted by one (1) neutral mediator. If the Parties are unable to select a mediator, then selection shall follow the procedure published by the American Arbitration Association Commercial Mediation Rules. Mediation shall be held in Blaine County. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of Idaho. Each party shall bear its own costs and the parties shall split equally the cost and expenses of the mediator.

**12. Execution and Effect.** Upon execution of this Agreement by the Parties, this Agreement shall be effective. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

**13. Amendment.** This Agreement may only be amended upon the unanimous approval of the voting Parties, and only as would be not inconsistent with the Ballot Questions.

[Signatures Appear on Following Pages]

As of the date hereof, the Parties hereto have caused this Agreement to be executed by the duly-authorized representatives this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

CITY OF KETCHUM

By: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

CITY OF SUN VALLEY

By: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

CITY OF HAILEY

By: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

BLAINE COUNTY COMMISSIONERS

By: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**JOINT POWERS AGREEMENT ESTABLISHING  
THE SUN VALLEY AIR SERVICE BOARD  
TO RETAIN, IMPROVE AND DEVELOP COMMERCIAL AIR TRANSPORTATION  
SERVICES AT FRIEDMAN MEMORIAL AIRPORT**

\_\_\_\_\_, 2012

This Agreement ("Agreement"), made and entered into on \_\_\_\_\_, 2012, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), (collectively known as "Cities"), and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties;"

**WITNESSETH:**

WHEREAS, the Friedman Memorial Airport Authority ("FMAA"), of which Hailey and Blaine County are members, operates the Friedman Memorial Airport (the "Airport"), and over the past six years commercial enplanements have decreased to the Airport; and

WHEREAS, the Parties recognize both year-round tourism and commerce are primary contributors to the economic base of Blaine County and its Cities; and

WHEREAS, air service to the Airport is critical for such year-round tourism and commerce; and

WHEREAS, each of the respective City Councils of the Cities of Ketchum, Sun Valley, and Hailey have voted in properly noticed public meetings to place before their respective voters on the November 6, 2012, ballot, the question of a 1% Local Option Tax ("LOT") (the "Ballot Questions") to fund retention, improvement and development of commercial air transportation services to the Airport; and

WHEREAS, an opinion from the Office of the Attorney General dated March 12, 2012, to Representative Wendy Jaquet (the "AG Opinion"), indicates that general authority exists under Idaho Statute 67-2328 for cities and counties to enter into a joint powers agreement to provide for agreements for air service, including minimum revenue guarantees ("MRG's"); and

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRG's and promotion of commercial air service to increase seats and enplanements atto the Airport; and

WHEREAS, this Agreement will create the separate legal entity described below, the Sun Valley Air Service Board (the "Board"), which will contract with one or more parties, pursuant to Contracts for Services as described herein, to discharge the Board's duties and responsibilities described in the Ballot Questions; and

WHEREAS, each of the Parties has made findings regarding the need for this Agreement to satisfy the duties and responsibilities described in the Ballot Questions; and

WHEREAS, the City Parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code Sections 50-321, 50-322, 21-110, 21-401 and related statutes to undertake the responsibilities contemplated by the Ballot Questions; and

WHEREAS, the County, pursuant to Idaho Code Sections 31-110, 21-876 and related statutes, in coordination with Hailey, provides for the operation of the Airport through the FMAA and the County as a Party to this Agreement may assist in discharging the duties contemplated by the Ballot Questions; and

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code Sections 67-2328, *et seq.*, and Idaho Code Section 21-403, to create and maintain the Authority to discharge the duties and responsibilities set forth in the Ballot Questions;

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual term, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. **Establishment of Separate Legal Entity; Governance.** The Parties hereto hereby establish the Sun Valley Air Service Board ("Board") as a separate legal entity and delegate each Party's respective power to the Board to oversee and administer the joint undertakings contemplated herein. Parties will join and become members of the Board upon execution of this Agreement by their respective governing body.
2. **Board Membership.** The representatives of the Parties who shall be members of the Board shall be configured as described below:
  - A. One (1) member from the City of Ketchum, one (1) member from the City of Sun Valley and one (1) member from the City of Hailey shall be respectively appointed by the Mayors of Ketchum, Sun Valley and Hailey with the consent and approval of the City Council of each city.
  - B. One (1) member from Blaine County shall be appointed by the Board of County Commissioners.
  - C. Each of the Parties shall establish its own Board member qualification criteria subject to subparagraph E.
  - D. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Board has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Board.
  - E. Members of the Board shall be appointed without respect to political affiliation or religious denomination. Any person over the age of eighteen (18) may be eligible for appointment.
  - F. Members of the Board shall serve without compensation.

**3. Board Member Voting Power & Voting Majority.**

- A. City Parties shall retain 90% of the voting rights and voting rights shall be allocated among all Board members based on their respective annual 1% LOT contributions to the Board. The initial allocation of these voting rights shall be determined using each City Party's year ending September 30, 2012, total fiscal year actual LOT revenue collection on taxable sales described in the Ballot Questions. Each year thereafter, the voting percentages shall be revised as necessary to reflect each City Party's year ending September 30 actual 1% LOT revenue contributions to the Board.
- B. Blaine County shall not have a vote as a member of the Board, except in the instance described herein. In recognition that Friedman Memorial Airport is jointly owned by the City of Hailey and Blaine County, 10% of the voting rights of the Board members will be allocated to the Board member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 10% shall be allocated to the Board member appointed by Blaine County.
- C. Voting Majorities. The members of the Board shall take action upon the affirmative vote of those members holding more than 50% of the voting rights, unless otherwise provided herein. A super-majority of two-thirds of those members holding voting rights shall be needed to (1) change an entity or contractor with a Contract for Services in excess of \$50,000 to a different entity and/or contractor; and (2) approve any initial performance metrics and change in performance metrics determined jointly by members of the Board and contractor(s) as identified in the Contracts for Services.

**4. Term of Office.** The term of office on said Board shall be for the following initial terms:

- 1 member from Ketchum for one (1) year
- 1 member from Sun Valley for one (1) year
- 1 member from Hailey for one (1) year
- 1 member from Blaine County for one (1) year

Subsequent appointments shall be for one (1) year and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms or removal shall be filled for the remainder of the term by the Party that appointed the board member. Removal of any member may only be made by the Party that appointed such board member.

**5. Organization Bylaws.** The Board shall be governed by the Bylaws specifying the procedural method and manner by which it shall conduct its business and affairs, provided, however, that said Bylaws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Board to act. The Bylaws shall provide, among

other items, that a majority of the members of the Board shall constitute a quorum. A non-voting member is not a member for quorum purposes.

**6. Purposes and Powers.** The purpose of the Board is to establish, implement, maintain and fund a program to retain, improve and develop commercial air service to Friedman Memorial Airport. In furtherance of that purpose, the Parties hereto hereby delegate to the Board their power to carry out the duties as described and contemplated by the Ballot Questions, including entering into Contracts for Services with such entities as the Board may select, subject to the specific LOT allocations of the City Parties. It is anticipated that the Board will have no employees and that, except for the holding, distribution and oversight of the monetary contributions and entering into Contracts for Services, the Board will have a very limited scope of operation. Such delegated powers shall more specifically include, but not be limited to, the following:

- A. The Board, as allowed under state and federal statutes, may apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;
- B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, personal property, including money, necessary to carry out the purposes of the Board and to invest and hold such money until distributed for the purposes contemplated by the Ballot Questions;
- C. To fund administrative costs, if any, to carry out the purposes of the Board;
- D. To contract with public or private agencies, companies or entities to retain, improve and develop commercial air transportation services to Friedman Memorial Airport, including contracting with third parties pursuant to Contracts for Services;
- ~~E. To contract for studies relating to the commercial air transportation services and the methods by which said needs can best be served.~~

**7. Manner of Financing.** The Board shall annually adopt a budget. Subject to the provisions herein, each City Party hereto will annually ~~budget and contribute~~ monthly to the Board the money collected pursuant to their respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees; each City has the option to direct its monetary contribution to those purposes it specifically directs as allowed by the Ballot Questions, except for contributions to cover a pro-rata share of administrative expenses, if any, of the Board; provided, however, in the event of any litigation or other challenges to the Ballot Questions, this Agreement, the Board, or any related matters, each City shall contribute a pro-rata share of its contribution to defray any expenses related thereto. During each fiscal year, the City Parties shall contribute monthly to the Board their respective amount of money as ~~determined by the adopted budget collected,~~ less any their direct costs to administer the program collect and enforce the tax, including administrative and legal fees, subject to approval ~~of allocations approved by each City Party's governing board.~~

- A. In adopting the annual budget, each City Party must contribute the money collected pursuant to its respective Ballot Question, less their direct costs to collect and enforce the tax, including administrative and legal fees. The County, in its discretion, may contribute funds to the Board; it is anticipated that the County will continue its historical support for the Airport.
- B. Any entity may contribute additional funds to the Board. It is anticipated that Sun Valley Company will fund fifty percent (50%) of any MRG expenses and will provide marketing support for the air service in collaboration with the airlines and other community marketing efforts.
- C. Any funds received by the Board shall be used for payments to entities pursuant to the Contract for Services, as contemplated by the Ballot Questions, for the purposes authorized therein. The budgeting, allocation and use of said funds by the Board shall be in accordance with the purposes and powers herein provided for, and in no event shall the Board use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Board by the Parties. All specific allocations of LOT proceeds by a City Party shall be followed by the Board in its budget and actual spending.
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- E. So as to minimize Board expenses, all City Parties may agree to share in the administrative tasks of the Board through pro-rata contribution of their City staff time to perform such tasks.

**8. Contracts for Services.** The initial Contracts for Services with entity(ies) selected by the Board shall be entered into as soon as practicable following the appointment of the Board Members and passage of the Ballot Questions. Each year thereafter, the Board shall enter into similar contracts with such entities as the Board may select. The Contracts for Services shall (i) set forth those specific services which are to be provided consistent with the Ballot Questions, (ii) provide for detailed reporting to the Board and, as appropriate directly to the Parties, of how funds were spent in sufficient detail to demonstrate compliance with constitutional and statutory guidelines as reflected in the AG Opinion; (iii) include performance metrics consistent with expectations for the work to be performed. A Contract for Services may be for more than one year, but must explicitly state that annual funding is subject to annual appropriations which meet the Cities' statutory limitations.

**9. Duration.** The duration of the Board created by this Agreement shall be for a period of at least five and one-half years; provided, however, that the same may be extended for an additional period of time, as the Parties hereto deem appropriate in order to expend the monies and satisfy the purposes set forth in the Ballot Questions. Any such extension of this Agreement shall be in writing, adopted by the governing body of each of the Parties hereto.

No Party may withdraw from the Agreement, except that any City Party that has failed to pass its Ballot Question shall be deemed to have withdrawn from this Agreement once such election

results have been certified. Should no City Party pass a Ballot Question, this Agreement shall be terminated.

**10. Dissolution of the Board.** Parties, upon the dissolution of the Board created by this Agreement or any extension or renewal thereof, for whatever reason, may agree to (1) distribute the personal property owned by the Board among themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each; or (2) to sell the property in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided among the Parties hereto in proportion equal to the annual operating ~~and capital~~ contributions of each, to the Board since its inception.

**11. Mediation.** Any controversy or claim arising out of or relating to this Agreement or breach thereof, shall be submitted to non-binding mediation upon the written request of any Party and conducted by one (1) neutral mediator. If the Parties are unable to select a mediator, then selection shall follow the procedure published by the American Arbitration Association Commercial Mediation Rules. Mediation shall be held in Blaine County. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of Idaho. Each party shall bear its own costs and the parties shall split equally the cost and expenses of the mediator.

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[Signatures Appear on Following Pages]

**JOINT POWERS AGREEMENT ESTABLISHING  
THE SUN VALLEY AIR SERVICE BOARD  
TO RETAIN, IMPROVE AND DEVELOP COMMERCIAL AIR TRANSPORTATION  
SERVICES AT FRIEDMAN MEMORIAL AIRPORT**

\_\_\_\_\_, 2012

This Agreement ("Agreement"), made and entered into on \_\_\_\_\_, 2012, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), (collectively known as "Cities"), and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties,"

**WITNESSETH:**

WHEREAS, the Friedman Memorial Airport Authority ("FMAA"), of which Hailey and Blaine County are members, operates the Friedman Memorial Airport (the "Airport"), and over the past six years commercial enplanements have decreased to the Airport; and

WHEREAS, the Parties recognize both year-round tourism and commerce are primary contributors to the economic base of Blaine County and its Cities; and

WHEREAS, air service to the Airport is critical for such year-round tourism and commerce; and

WHEREAS, each of the respective City Councils of the Cities of Ketchum, Sun Valley, and Hailey have voted in properly noticed public meetings to place before their respective voters on the November 6, 2012, ballot, the question of a 1% Local Option Tax ("LOT") (the "Ballot Questions") to fund retention, improvement and development of commercial air transportation services to the Airport; and

WHEREAS, an opinion from the Office of the Attorney General dated March 12, 2012, to Representative Wendy Jaquet (the "AG Opinion"), indicates that general authority exists under Idaho Statute 67-2328 for cities and counties to enter into a joint powers agreement to provide for agreements for air service, including minimum revenue guarantees ("MRG's"); and

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRG's and promotion of commercial air service to increase seats and enplanements at the Airport; and

WHEREAS, this Agreement will create the separate legal entity described below, the Sun Valley Air Service Board (the "Board"), which will contract with one or more parties, pursuant to Contracts for Services as described herein, to discharge the Board's duties and responsibilities described in the Ballot Questions; and

WHEREAS, each of the Parties has made findings regarding the need for this Agreement to satisfy the duties and responsibilities described in the Ballot Questions; and

WHEREAS, the City Parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code Sections 50-321, 50-322, 21-110, 21-401 and related statutes to undertake the responsibilities contemplated by the Ballot Questions; and

WHEREAS, the County, pursuant to Idaho Code Sections 31-110, 21-876 and related statutes, in coordination with Hailey, provides for the operation of the Airport through the FMAA and the County as a Party to this Agreement may assist in discharging the duties contemplated by the Ballot Questions; and

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code Sections 67-2328, *et seq.*, and Idaho Code Section 21-403, to create and maintain the Authority to discharge the duties and responsibilities set forth in the Ballot Questions;

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual term, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. **Establishment of Separate Legal Entity; Governance.** The Parties hereto hereby establish the Sun Valley Air Service Board ("Board") as a separate legal entity and delegate each Party's respective power to the Board to oversee and administer the joint undertakings contemplated herein. Parties will join and become members of the Board upon execution of this Agreement by their respective governing body.
2. **Board Membership.** The representatives of the Parties who shall be members of the Board shall be configured as described below:
  - A. One (1) member from the City of Ketchum, one (1) member from the City of Sun Valley and one (1) member from the City of Hailey shall be respectively appointed by the Mayors of Ketchum, Sun Valley and Hailey with the consent and approval of the City Council of each city.
  - B. One (1) member from Blaine County shall be appointed by the Board of County Commissioners.
  - C. Each of the Parties shall establish its own Board member qualification criteria subject to subparagraph E.
  - D. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Board has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Board.
  - E. Members of the Board shall be appointed without respect to political affiliation or religious denomination. Any person over the age of eighteen (18) may be eligible for appointment.
  - F. Members of the Board shall serve without compensation.

**3. Board Member Voting Power & Voting Majority.**

- A. City Parties shall retain 90% of the voting rights and voting rights shall be allocated among all Board members based on their respective annual 1% LOT contributions to the Board. The initial allocation of these voting rights shall be determined using each City Party's September 30, 2012, actual LOT revenue collection on taxable sales described in the Ballot Questions. Each year thereafter, the voting percentages shall be revised as necessary to reflect each City Party's September 30 actual 1% LOT revenue contributions to the Board.
- B. Blaine County shall not have a vote as a member of the Board, except in the instance described herein. In recognition that Friedman Memorial Airport is jointly owned by the City of Hailey and Blaine County, 10% of the voting rights of the Board members will be allocated to the Board member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 10% shall be allocated to the Board member appointed by Blaine County.
- C. Voting Majorities. The members of the Board shall take action upon the affirmative vote of those members holding more than 50% of the voting rights, unless otherwise provided herein. A super-majority of two-thirds of those members holding voting rights shall be needed to (1) change an entity or contractor with a Contract for Services in excess of \$50,000 to a different entity and/or contractor; and (2) approve any change in performance metrics determined jointly by members of the Board and contractor(s) as identified in the Contracts for Services.

**4. Term of Office.** The term of office on said Board shall be for the following initial terms:

- 1 member from Ketchum for one (1) year
- 1 member from Sun Valley for one (1) year
- 1 member from Hailey for one (1) year
- 1 member from Blaine County for one (1) year

Subsequent appointments shall be for one (1) year and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms or removal shall be filled for the remainder of the term by the Party that appointed the board member. Removal of any member may only be made by the Party that appointed such board member.

**5. Organization Bylaws.** The Board shall be governed by the Bylaws specifying the procedural method and manner by which it shall conduct its business and affairs, provided, however, that said Bylaws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Board to act. The Bylaws shall provide, among other items, that a majority of the members of the Board shall constitute a quorum.

**6. Purposes and Powers.** The purpose of the Board is to establish, implement, maintain and fund a program to retain, improve and develop commercial air service to Friedman Memorial Airport. In furtherance of that purpose, the Parties hereto hereby delegate to the Board their power to carry out the duties as described and contemplated by the Ballot Questions, including entering into Contracts for Services with such entities as the Board may select. It is anticipated that the Board will have no employees and that, except for the holding, distribution and oversight of the monetary contributions and entering into Contracts for Services, the Board will have a very limited scope of operation. Such delegated powers shall more specifically include, but not be limited to, the following:

- A. The Board, as allowed under state and federal statutes, may apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;
- B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, personal property, including money, necessary to carry out the purposes of the Board and to invest and hold such money until distributed for the purposes contemplated by the Ballot Questions;
- C. To fund administrative costs, if any, to carry out the purposes of the Board;
- D. To contract with public or private agencies, companies or entities to retain, improve and develop commercial air transportation services to Friedman Memorial Airport, including contracting with third parties pursuant to Contracts for Services;
- E. To contract for studies relating to the commercial air transportation services and the methods by which said needs can best be served.

**7. Manner of Financing.** The Board shall annually adopt a budget. Subject to the provisions herein, each City Party hereto will annually budget and contribute monthly to the Board the money collected pursuant to their respective Ballot Question; each City has the option to direct its monetary contribution to those purposes it specifically directs as allowed by the Ballot Questions, except for contributions to cover a pro-rata share of administrative expenses, if any, of the Board; provided, however, in the event of any litigation or other challenges to the Ballot Questions, this Agreement, the Board or any related matters, each City shall contribute a pro-rata share of its contribution to defray any expenses related thereto. During each fiscal year, the City Parties shall contribute monthly to the Board their respective amount of money as determined by the adopted budget, less any costs to administer the program, subject to approval of each City Party's governing board.

- A. In adopting the annual budget, each City Party must contribute the money collected pursuant to its respective Ballot Question. The County, in its discretion, may contribute funds to the Board; it is anticipated that the County will continue its historical support for the Airport.

- B. Any entity may contribute additional funds to the Board. It is anticipated that Sun Valley Company will fund fifty percent (50%) of any MRG expenses and will provide marketing support for the air service in collaboration with the airlines and other community marketing efforts.
- C. Any funds received by the Board shall be used for payments to entities pursuant to the Contract for Services, as contemplated by the Ballot Questions, for the purposes authorized therein. The budgeting, allocation and use of said funds by the Board shall be in accordance with the purposes and powers herein provided for, and in no event shall the Board use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Board by the Parties.
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- E. So as to minimize Board expenses, all City Parties may agree to share in the administrative tasks of the Board through pro-rata contribution of their City staff time to perform such tasks.

**8. Contracts for Services.** The initial Contracts for Services with entity(ies) selected by the Board shall be entered into as soon as practicable following the appointment of the Board Members and passage of the Ballot Questions. Each year thereafter, the Board shall enter into similar contracts with such entities as the Board may select. The Contracts for Services shall (i) set forth those specific services which are to be provided consistent with the Ballot Questions, (ii) provide for detailed reporting to the Board and, as appropriate directly to the Parties, of how funds were spent in sufficient detail to demonstrate compliance with constitutional and statutory guidelines as reflected in the AG Opinion; (iii) include performance metrics consistent with expectations for the work to be performed. A Contract for Services may be for more than one year, but must explicitly state that annual funding is subject to annual appropriations which meet the Cities statutory limitations.

**9. Duration.** The duration of the Board created by this Agreement shall be for a period of at least five and one-half years; provided, however, that the same may be extended for an additional period of time, as the Parties hereto deem appropriate in order to expend the monies and satisfy the purposes set forth in the Ballot Questions. Any such extension of this Agreement shall be in writing, adopted by the governing body of each of the Parties hereto.

No Party may withdraw from the Agreement, except that any City Party that has failed to pass its Ballot Question shall be deemed to have withdrawn from this Agreement once such election results have been certified. Should no City Party pass a Ballot Question, this Agreement shall be terminated.

**10. Dissolution of the Board.** Parties, upon the dissolution of the Board created by this Agreement or any extension or renewal thereof, for whatever reason, may agree to (1) distribute the personal property owned by the Board among themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each; or (2) to sell the

property in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided among the Parties hereto in proportion equal to the annual operating and capital contributions of each to the Board since its inception.

**11. Mediation.** Any controversy or claim arising out of or relating to this Agreement or breach thereof, shall be submitted to non-binding mediation upon the written request of any Party and conducted by one (1) neutral mediator. If the Parties are unable to select a mediator, then selection shall follow the procedure published by the American Arbitration Association Commercial Mediation Rules. Mediation shall be held in Blaine County. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of Idaho. Each party shall bear its own costs and the parties shall split equally the cost and expenses of the mediator.

**12. Execution and Effect.** Upon execution of this Agreement by the Parties, this Agreement shall be effective. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

**13. Amendment.** This Agreement may only be amended upon the unanimous approval of the Parties, and only as would be not inconsistent with the Ballot Questions.

[Signatures Appear on Following Page]

As of the date hereof, the Parties hereto have caused this Agreement to be executed by the duly-authorized representatives this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

CITY OF KETCHUM

By: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

CITY OF SUN VALLEY

By: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

CITY OF HAILEY

By: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

BLAINE COUNTY COMMISSIONERS

By: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**JOINT POWERS AGREEMENT OF ESTABLISHING  
THE SUN VALLEY AIR SERVICE BOARD  
TO RETAIN, IMPROVE AND DEVELOP COMMERCIAL AIR TRANSPORTATION  
SERVICES AT FRIEDMAN MEMORIAL AIRPORT**

\_\_\_\_\_, 2012

This Agreement ("Agreement"), made and entered into on \_\_\_\_\_, 2012, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), (collectively known as "Cities"), and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties;"

**WITNESSETH:**

WHEREAS, the Friedman Memorial Airport Authority ("FMAA"), of which Hailey and Blaine County are members, operates the Friedman Memorial Airport (the "Airport"), and over the past six years commercial enplanements have decreased to the Airport; and

WHEREAS, the Parties recognize both year-round tourism and commerce are primary contributors to the economic base of Blaine County and its Cities; and

~~Whereas~~ WHEREAS, air service to the Airport is critical for such year-round tourism and commerce; and

WHEREAS, each of the respective City Councils of the Cities of Ketchum, Sun Valley, and Hailey have determined voted in properly noticed public meetings to place before their respective voters on -the November 6, 2012, ballot, the question of a 1% ~~local option tax~~ Local Option Tax ("LOT") (the "Ballot Questions") to fund retention, improvement and development of commercial air transportation services to the Airport; and

WHEREAS, an opinion from the Office of the Attorney General dated March-12, 2012, to Representative Wendy Jaquet (the "AG Opinion"), indicates that general authority exists under Idaho ~~statutes~~ Statute 67-2328 for cities and counties to enter into a joint powers agreement to provide for agreements for air service, including minimum revenue guarantees ("MRG's"); and

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRG's and promotion of commercial air service to increase seats and enplanements at the Airport; and

WHEREAS, this Agreement will create the separate legal entity described below, the Sun Valley Air Service Board (the "Board"), which will contract with one or more parties, pursuant to Contracts for Services as described herein, to discharge the Board's duties and responsibilities described in the Ballot Questions; and

WHEREAS, each of the Parties has made findings regarding the need ~~effor~~ this Agreement to satisfy the duties and responsibilities described in the Ballot Questions; and

WHEREAS, the City Parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code Sections 50-321, 50-322, 21-110, 21-401 and related statutes to undertake the responsibilities contemplated by the Ballot Questions; and

WHEREAS, the County, pursuant to Idaho Code Sections 31-110, 21-876 and related statutes, in coordination with Hailey, provides for the operation of the Airport through the FMAA and the County as a Party to this Agreement may assist in discharging the duties contemplated by the Ballot Questions; and

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code Sections 67-2328, *et seq.*, and Idaho Code Section 21-403, to create and maintain the Authority to discharge the duties and responsibilities set forth in the Ballot Questions;

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual term, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. ~~**Establishment of Separate Legal Entity; Governance.** This Agreement creates . The Parties hereto hereby establish the Sun Valley Air Service Board ("Board") as a separate legal entity to conduct and delegate each Party's respective power to the Board to oversee and administer the joint undertakings contemplated herein, which shall be known as the Sun Valley Air Service Board (the "Board"). The Parties hereto shall appoint representatives to the Board ("Board members") who will be responsible for administering the joint undertakings of the . Parties will join and become members of the Board upon execution of this Agreement by their respective governing body.~~

2. ~~**Board as described herein. Membership, Name.** The Board shall be known as Sun Valley Air Service Board.~~

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3. ~~**Board Members/Voting.** The representatives of the Parties who shall be members of the Board shall be configured as described below:~~

- A. ~~Subject to subparagraph C below, one One (1) member from the City of Ketchum, one (1) member from the City of Sun Valley and one (1) member from the City of Hailey shall be respectively appointed by the Mayors of Ketchum, Sun Valley and Hailey with the consent and approval of the City Council of each city.~~
- B. ~~Subject to subparagraph C below, one One (1) member from Blaine County to shall be appointed by the Board of County Commissioners.~~
- C. ~~Parties will join and become members of the Board upon execution of this Agreement by its respective governing body.~~

- ~~D. The Mayors, Council Members, Commissioners and employees of the Parties hereto shall not be excluded from membership on the Board by virtue of their relationship with the Cities and County involved.~~
- C. Each of the Parties shall establish its own Board member qualification criteria subject to subparagraph E.
- D. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Board has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Board.
- E. Members of the Board shall be appointed without respect to political affiliation or religious denomination, and shall serve without compensation. Any person over the age of eighteen (18) may be eligible for appointment.
- F. In recognition of the ownership of Friedman Memorial Airport that is shared jointly by Hailey and Blaine County, 20% of the voting rights of the Board members will be allocated to the member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 20% Members of the Board shall be allocated to the member appointed by Blaine County. The remaining 80% of serve without compensation.

**3. Board Member Voting Power & Voting Majority.**

- A. City Parties shall retain 90% of the voting rights and voting rights shall be allocated among the all Board members appointed by the City Parties based on their respective annual monetary 1% LOT contributions to the Board. The initial allocation of these voting rights shall be determined using each City Party's prior fiscal year budget and assuming the September 30, 2012, actual LOT revenue collection on taxable sales described in the Ballot Questions had already passed and contributions made based on such prior fiscal year numbers. Each year thereafter, when the members of the Board meet to adopt the budget as described below, the voting percentages shall be revised as necessary to reflect each City Party's September 30 actual monetary contribution 1% LOT revenue contributions to the Board.
- F.B. Blaine County shall not have a vote as a member of the Board, except in the instance described herein. In recognition that Friedman Memorial Airport is jointly owned by the City of Hailey and Blaine County, 10% of the voting rights of the Board members will be allocated to the Board member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 10% shall be allocated to the Board during the prior fiscal year member appointed by Blaine County.
- G.C. Voting Majorities. The members of the Board shall take action upon the affirmative vote of those members holding more than 50% of the voting rights, unless otherwise provided herein. A super-majority of two-thirds of those

members holding voting rights shall be needed to approve a ~~(1) change to a different entity from an entity that would otherwise be providing services under any initial or subsequent contractor with a Contract for Services described below; if such Contract for Service provides for payments in excess of \$50,000. — to a different entity and/or contractor; and (2) approve any change in performance metrics determined jointly by members of the Board and contractor(s) as identified in the Contracts for Services.~~

4. **Term of Office.** The term of office on said Board shall be for the following initial terms:

- 1 member from Ketchum for one (1) year
- 1 member from Sun Valley for one (1) year
- 1 member from Hailey for one (1) year
- 1 member from Blaine County for one (1) year

Subsequent appointments shall be for one (1) year and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms or removal shall be filled for the remainder of the term by the Party that appointed the board member. Removal of any member may only be made by the Party that appointed such board member.

5. **Organization Bylaws.** The Board shall be governed by the ~~By-laws~~Bylaws specifying the procedural method and manner by which it shall conduct its business and affairs, provided, however, that said ~~By-laws~~Bylaws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Board to act. The Bylaws shall provide, among other items, that a majority of the members of the Board shall constitute a quorum.

6. **Purposes and Powers.** The purpose of the Board is to establish, implement, maintain and fund a program to retain, improve and develop commercial air service to Friedman Memorial Airport. In furtherance of that purpose, the Parties hereto hereby delegate to the Board their power to carry out the duties as described and contemplated by the Ballot Questions, including entering into Contracts for Services with such entities as the Board may select. It is anticipated that the Board will have no employees and that, except for the holding, distribution and oversight of the monetary contributions and entering into Contracts for Services, the Board will have a very limited scope of operation. Such delegated powers shall more specifically include, but not be limited to, the following:

- A. The Board, as allowed under state and federal statutes, may apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;
- B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, personal property, including money, necessary to carry out the purposes of

the Board and to invest and hold such money until distributed for the purposes contemplated by the Ballot Questions;

- C. To fund ~~operational and maintenance~~ administrative costs, if any, to carry out the purposes of the Board;
- D. To contract with public or private agencies, companies or entities to retain, improve and develop commercial air transportation services to Friedman Memorial Airport, including contracting with third parties pursuant to Contracts for Services;
- E. To contract for studies relating to the commercial air transportation services and the methods by which said needs can best be served.

7. **Manner of Financing.** ~~The members of the Board shall annually adopt a budget.~~ Subject to the provisions herein, each City Party hereto will annually budget and contribute monthly to the Board the money collected pursuant to their respective Ballot Question; each City has the option to direct its monetary contribution to those purposes it specifically directs as allowed by the Ballot Questions, except for ~~mandatory~~ contributions to cover a pro-rata share of administrative expenses, ~~if any, of the Board~~; provided, however, in the event of any litigation or other challenges to the Ballot Questions, this Agreement, the Board or any related matters, each City shall contribute a pro-rata share of its contribution to defray any expenses related thereto. During each fiscal year, the City Parties shall contribute monthly to the Board their respective amount of money as determined by the adopted budget, less any costs to administer the program, subject to approval of each City Party's governing board.

- A. In adopting the annual budget, each City Party must contribute the money collected pursuant to its respective Ballot Question. The County, in its discretion, may contribute funds to the Board; it is anticipated that the County will continue its historical support for the Airport.
- B. Any entity may contribute additional funds to the Board. It is anticipated that Sun Valley Company will fund fifty percent (50%) of any MRG expenses and will provide marketing support for the air service in collaboration with the airlines and other community marketing efforts.
- C. Any funds received by the Board shall be used for payments to entities pursuant to the Contract for Services, as contemplated by the Ballot Questions, for the purposes authorized therein. The budgeting, allocation and use of said funds by the Board shall be in accordance with the purposes and powers herein provided for, and in no event shall the Board use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Board by the Parties.
- D. An annual audit or similar financial review shall be conducted consistent with Idaho statutory requirements.

E. So as to minimize Board expenses, all City Parties may agree to share in the administrative tasks of the Board through pro-rata contribution of their City staff time to perform such tasks.

8. **Contracts for Services.** The initial Contracts for Services with entity(ies) selected by the Board shall be entered into as soon as practicable following the appointment of the Board Members and passage of the Ballot Questions. Each year thereafter, the Board shall enter into similar contracts with such entities as the Board may select. The Contracts for Services shall (i) set forth those specific services which are to be provided consistent with the Ballot Questions, (ii) provide for detailed reporting to the Board and, as appropriate directly to the Parties, of how funds were spent in sufficient detail to demonstrate compliance with constitutional and statutory guidelines as reflected in the AG Opinion; (iii) include performance metrics consistent with expectations for the work to be performed; and (iv) have a duration of no more than one (1) year, with any term of renewal satisfying constitutional and A Contract for Services may be for more than one year, but must explicitly state that annual funding is subject to annual appropriations which meet the Cities statutory limitations.

9. **Duration.** The duration of the Board created by this Agreement shall be for a period of at least five and one-half years; provided, however, that the same may be extended for an additional period of time, as the Parties hereto deem appropriate in order to expend the monies and satisfy the purposes set forth in the Ballot Questions. Any such extension of this Agreement shall be in writing, adopted by the governing body of each of the Parties hereto.

No Party may withdraw from the Agreement, except that any City Party that has failed to pass its Ballot Question shall be deemed to have withdrawn from this Agreement once such election results have been certified. Should no City Party pass a Ballot Question, this Agreement shall be terminated.

10. **Dissolution of the Board.** Upon Parties, upon the dissolution of the Board created by this Agreement or any extension or renewal thereof, for whatever reason, may agree to (1) distribute the personal property owned by the Board shall among themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each; or distributed (2) to sell the property in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided between among the Parties hereto in proportion equal to the annual operating and capital contributions of each to the Board since its inception. Provided, however, that prior to any sale of personal property, Parties may agree to distribute said property between themselves in a manner deemed by them to be equitable and approved in writing by the governing body of each.

11. **Mediation.** Any controversy or claim arising out of or relating to this Agreement or breach thereof, shall be submitted to non-binding mediation upon the written request of any Party and conducted by one (1) neutral mediator. If the Parties are unable to select a mediator, then selection shall follow the procedure published by the American Arbitration Association Commercial Mediation Rules. Mediation shall be held in Blaine County. This Agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of Idaho. Each party shall bear its own costs and the parties shall split equally the cost and expenses of the mediator.

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**13. Amendment.** This Agreement may only be amended upon the unanimous approval of the Parties, and only as would be not inconsistent with the Ballot Questions.

[Signatures Appear on Following Page]

**JOINT POWERS AGREEMENT ESTABLISHING  
THE SUN VALLEY AIR SERVICE BOARD  
TO RETAIN, IMPROVE AND DEVELOP COMMERCIAL AIR TRANSPORTATION  
SERVICES AT FRIEDMAN MEMORIAL AIRPORT**

\_\_\_\_\_, 2012

This Agreement ("Agreement"), made and entered into on \_\_\_\_\_, 2012, by and between the CITY OF KETCHUM, IDAHO, a municipal corporation ("Ketchum"), the CITY OF SUN VALLEY, IDAHO, a municipal corporation ("Sun Valley"), the CITY OF HAILEY, a municipal corporation ("Hailey"), (collectively known as "Cities"), and the COUNTY OF BLAINE, a body politic and corporate ("Blaine County") all described, individually as "Party," or jointly as "Parties;"

**WITNESSETH:**

WHEREAS, the Friedman Memorial Airport Authority ("FMAA"), of which Hailey and Blaine County are members, operates the Friedman Memorial Airport (the "Airport"), and over the past six years commercial enplanements have decreased to the Airport; and

WHEREAS, the Parties recognize both year-round tourism and commerce are primary contributors to the economic base of Blaine County and its Cities; and

WHEREAS, air service to the Airport is critical for such year-round tourism and commerce; and

WHEREAS, each of the respective City Councils of the Cities of Ketchum, Sun Valley, and Hailey have voted in properly noticed public meetings to place before their respective voters on- the November 6, 2012, ballot, the question of a 1% Local Option Tax ("LOT") (the "Ballot Questions") to fund retention, improvement and development of commercial air transportation services to the Airport; and

WHEREAS, an opinion from the Office of the Attorney General dated March 12, 2012, to Representative Wendy Jaquet (the "AG Opinion"), indicates that general authority exists under Idaho Statute 67-2328 for cities and counties to enter into a joint powers agreement to provide for agreements for air service, including minimum revenue guarantees ("MRG's"); and

WHEREAS, to retain, improve and develop commercial air transportation services, the Ballot Questions provide for MRG's and promotion of commercial air service to increase seats and enplanements at the Airport; and

WHEREAS, this Agreement will create the separate legal entity described below, the Sun Valley Air Service Board (the "Board"), which will contract with one or more parties, pursuant to Contracts for Services as described herein, to discharge the Board's duties and responsibilities described in the Ballot Questions; and

WHEREAS, each of the Parties has made findings regarding the need for this Agreement to satisfy the duties and responsibilities described in the Ballot Questions; and

WHEREAS, the City Parties hereto are municipal corporations organized and existing under and by virtue of the laws of the State of Idaho and as such are authorized and empowered by Idaho Code Sections 50-321, 50-322, 21-110, 21-401 and related statutes to undertake the responsibilities contemplated by the Ballot Questions; and

WHEREAS, the County, pursuant to Idaho Code Sections 31-110, 21-876 and related statutes, in coordination with Hailey, provides for the operation of the Airport through the FMAA and the County as a Party to this Agreement may assist in discharging the duties contemplated by the Ballot Questions; and

WHEREAS, it is the mutual desire of the Parties hereto, acting pursuant to Idaho Code Sections 67-2328, *et seq.*, and Idaho Code Section 21-403, to create and maintain the Authority to discharge the duties and responsibilities set forth in the Ballot Questions;

NOW, THEREFORE, in order to accomplish the aforesaid purposes, and in consideration of the mutual term, covenants and conditions set forth herein, the Parties hereto agree as follows:

1. **Establishment of Separate Legal Entity; Governance.** The Parties hereto hereby establish the Sun Valley Air Service Board ("Board") as a separate legal entity and delegate each Party's respective power to the Board to oversee and administer the joint undertakings contemplated herein. Parties will join and become members of the Board upon execution of this Agreement by their respective governing body.
2. **Board Membership.** The representatives of the Parties who shall be members of the Board shall be configured as described below:
  - A. One (1) member from the City of Ketchum, one (1) member from the City of Sun Valley and one (1) member from the City of Hailey shall be respectively appointed by the Mayors of Ketchum, Sun Valley and Hailey with the consent and approval of the City Council of each city.
  - B. One (1) member from Blaine County shall be appointed by the Board of County Commissioners.
  - C. Each of the Parties shall establish its own Board member qualification criteria subject to subparagraph E.
  - D. Employees, directors, shareholders, partners, owners and others with financial interests in any business, company or entity which the Board has employed or contracted with to provide equipment or services shall not be appointed or remain members of the Board.
  - E. Members of the Board shall be appointed without respect to political affiliation or religious denomination. Any person over the age of eighteen (18) may be eligible for appointment.
  - F. Members of the Board shall serve without compensation.

**3. Board Member Voting Power & Voting Majority.**

- A. City Parties shall retain 90% of the voting rights and voting rights shall be allocated among all Board members based on their respective annual 1% LOT contributions to the Board. The initial allocation of these voting rights shall be determined using each City Party's September 30, 2012, actual LOT revenue collection on taxable sales described in the Ballot Questions. Each year thereafter, the voting percentages shall be revised as necessary to reflect each City Party's September 30 actual 1% LOT revenue contributions to the Board.
- B. Blaine County shall not have a vote as a member of the Board, except in the instance described herein. In recognition that Friedman Memorial Airport is jointly owned by the City of Hailey and Blaine County, 10% of the voting rights of the Board members will be allocated to the Board member appointed by Hailey, unless Hailey is not a Party to this Agreement, in which case such 10% shall be allocated to the Board member appointed by Blaine County.
- C. Voting Majorities. The members of the Board shall take action upon the affirmative vote of those members holding more than 50% of the voting rights, unless otherwise provided herein. A super-majority of two-thirds of those members holding voting rights shall be needed to (1) change an entity or contractor with a Contract for Services in excess of \$50,000 to a different entity and/or contractor; and (2) approve any change in performance metrics determined jointly by members of the Board and contractor(s) as identified in the Contracts for Services.

**4. Term of Office.** The term of office on said Board shall be for the following initial terms:

- 1 member from Ketchum for one (1) year
- 1 member from Sun Valley for one (1) year
- 1 member from Hailey for one (1) year
- 1 member from Blaine County for one (1) year

Subsequent appointments shall be for one (1) year and a board member shall hold a seat on the board until his or her successor has been appointed and qualified. Vacancies occurring otherwise than through the expiration of appointed terms or removal shall be filled for the remainder of the term by the Party that appointed the board member. Removal of any member may only be made by the Party that appointed such board member.

**5. Organization Bylaws.** The Board shall be governed by the Bylaws specifying the procedural method and manner by which it shall conduct its business and affairs, provided, however, that said Bylaws shall be amended so as not be inconsistent with or contrary to the provisions of this Agreement, or any applicable local, state or federal law and shall provide that at least a simple majority must concur for the Board to act. The Bylaws shall provide, among other items, that a majority of the members of the Board shall constitute a quorum.

**6. Purposes and Powers.** The purpose of the Board is to establish, implement, maintain and fund a program to retain, improve and develop commercial air service to Friedman Memorial Airport. In furtherance of that purpose, the Parties hereto hereby delegate to the Board their power to carry out the duties as described and contemplated by the Ballot Questions, including entering into Contracts for Services with such entities as the Board may select. It is anticipated that the Board will have no employees and that, except for the holding, distribution and oversight of the monetary contributions and entering into Contracts for Services, the Board will have a very limited scope of operation. Such delegated powers shall more specifically include, but not be limited to, the following:

- A. The Board, as allowed under state and federal statutes, may apply for, receive and operate under financial assistance from the federal or state government, and from any agency or political subdivision thereof, or from any private sources;
- B. To acquire by purchase, gift, lease, sublease or otherwise, to the extent and in the manner that a city or county operating under the laws of the State of Idaho might do so, personal property, including money, necessary to carry out the purposes of the Board and to invest and hold such money until distributed for the purposes contemplated by the Ballot Questions;
- C. To fund administrative costs, if any, to carry out the purposes of the Board;
- D. To contract with public or private agencies, companies or entities to retain, improve and develop commercial air transportation services to Friedman Memorial Airport, including contracting with third parties pursuant to Contracts for Services;
- E. To contract for studies relating to the commercial air transportation services and the methods by which said needs can best be served.

**7. Manner of Financing.** The Board shall annually adopt a budget. Subject to the provisions herein, each City Party hereto will annually budget and contribute monthly to the Board the money collected pursuant to their respective Ballot Question; each City has the option to direct its monetary contribution to those purposes it specifically directs as allowed by the Ballot Questions, except for contributions to cover a pro-rata share of administrative expenses, if any, of the Board; provided, however, in the event of any litigation or other challenges to the Ballot Questions, this Agreement, the Board or any related matters, each City shall contribute a pro-rata share of its contribution to defray any expenses related thereto. During each fiscal year, the City Parties shall contribute monthly to the Board their respective amount of money as determined by the adopted budget, less any costs to administer the program, subject to approval of each City Party's governing board.

- A. In adopting the annual budget, each City Party must contribute the money collected pursuant to its respective Ballot Question. The County, in its discretion, may contribute funds to the Board; it is anticipated that the County will continue its historical support for the Airport.

- B. Any entity may contribute additional funds to the Board. It is anticipated that Sun Valley Company will fund fifty percent (50%) of any MRG expenses and will provide marketing support for the air service in collaboration with the airlines and other community marketing efforts.
- C. Any funds received by the Board shall be used for payments to entities pursuant to the Contract for Services, as contemplated by the Ballot Questions, for the purposes authorized therein. The budgeting, allocation and use of said funds by the Board shall be in accordance with the purposes and powers herein provided for, and in no event shall the Board use, spend, encumber or commit funds of the Parties hereto in amounts exceeding those actually budgeted and contributed to the Board by the Parties.
- D. An annual audit or similar financial review shall be conducted consistent with Idaho statutory requirements.
- E. So as to minimize Board expenses, all City Parties may agree to share in the administrative tasks of the Board through pro-rata contribution of their City staff time to perform such tasks.
- F. \_\_\_\_\_

**8. Contracts for Services.** The initial Contracts for Services with entity(ies) selected by the Board shall be entered into as soon as practicable following the appointment of the Board Members and passage of the Ballot Questions. Each year thereafter, the Board shall enter into similar contracts with such entities as the Board may select. The Contracts for Services shall (i) set forth those specific services which are to be provided consistent with the Ballot Questions, (ii) provide for detailed reporting to the Board and, as appropriate directly to the Parties, of how funds were spent in sufficient detail to demonstrate compliance with constitutional and statutory guidelines as reflected in the AG Opinion; (iii) include performance metrics consistent with expectations for the work to be performed. A Contract for Services may be for more than one year, but must explicitly state that annual funding is subject to annual appropriations which meet the Cities statutory limitations.

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by them to be equitable and approved in writing by the governing body of each; or (2) to sell the property in the manner provided for by law for the disposition of property by cities and counties, and the proceeds of any such sale shall be divided among the Parties hereto in proportion equal to the annual operating and capital contributions of each to the Board since its inception.

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[Signatures Appear on Following Page]



**AGENDA ITEM SUMMARY**

**DATE:** 08-20-2012      **DEPARTMENT:** Administration      **DEPT. HEAD SIGNATURE:** HD

**SUBJECT:** Capital Improvement Plan 5-Year Update – proposed Caplan Study Fees

**AUTHORITY:**  ID Code 67-6508 67-6509     IAR \_\_\_\_\_     City Ordinance/Code \_\_\_\_\_  
(IF APPLICABLE)

**BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:**

On August 6, the Hailey City Council considered and took public hearing on the recommendations made by the DIF Advisory Committee and the Hailey Planning and Zoning Commission regarding the 5-year update to Hailey's Capital Improvement Plan. The matter was continued to August 20 for further discussion and decision related to the following key element:

Rich Caplan's study proposed certain fees. The recommendation from DIF and P&Z was to average those fees across seven commercial categories. The Hailey City Attorney recommended against that approach, stating that it would create a fee structure that is not defensible under the law, in that it would not be tied to impacts created by each specific type of development.

Former Consultant Carson Bise sent an unsolicited email (attached) after reading about this in the newspaper, giving advice similar to the advice of the City Attorney.

Rich Caplan's advice was solicited, and is attached.

We recommend that the council adopt the study as initially prepared by Caplan, and incorporate it into Hailey's Comprehensive Plan. It is attached, and the fees can be found on Page 5.

The next step in this process would be to amend the Development Impact Fee Ordinance, to adopt the Caplan Study Fees with certain exceptions, such as exempting Day Care Businesses from the development impact fee prescribed in the study.

**ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:** (IF APPLICABLE)

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> City Administrator | <input type="checkbox"/> Library             | <input type="checkbox"/> Benefits Committee |
| <input type="checkbox"/> City Attorney      | <input type="checkbox"/> Mayor               | <input type="checkbox"/> Streets            |
| <input type="checkbox"/> City Clerk         | <input type="checkbox"/> Planning            | <input type="checkbox"/> Treasurer          |
| <input type="checkbox"/> Building           | <input type="checkbox"/> Police              | _____                                       |
| <input type="checkbox"/> Engineer           | <input type="checkbox"/> Public Works, Parks | _____                                       |
| <input type="checkbox"/> Fire Dept.         | <input type="checkbox"/> P & Z Commission    | _____                                       |

**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

The Hailey City Council should accept the recommendation of the Hailey DIF Advisory Committee and the Hailey Planning and Zoning Commission to adopt the 2012 Caplan Update as an addition to Part Five of the Hailey Comprehensive Plan, but deny the recommendation to average the fees. Action to amend the Comprehensive Plan would result in approval of the attached Resolution with the Caplan 2012 Update attached as initially drafted.

**ACTION OF THE CITY COUNCIL:**

Date : \_\_\_\_\_

City Clerk \_\_\_\_\_

**FOLLOW-UP:**

HAILEY RESOLUTION 2012- 58

A RESOLUTION OF THE CITY COUNCIL OF HAILEY, IDAHO, APPROVING AND ADOPTING AN UPDATE OF THE HAILEY COMPREHENSIVE PLAN BY AMENDING PART FIVE, CAPITAL IMPROVEMENT PLAN, AS PREVIOUSLY ADOPTED WITH HAILEY RESOLUTION 2010-18.

WHEREAS, Idaho Code 67-6508 requires the planning and zoning commission consider and recommend amendments to a comprehensive plan;

WHEREAS, the Hailey Comprehensive Plan was fully revised and updated by Resolution 2010-18, which incorporated the 2007 TishlerBise Capital Improvement Plan as Part Five; and

WHEREAS, a process to update Hailey Comprehensive Plan Part Five began was held May through August, 2012 with public hearings conducted by the Hailey Development Impact Fee Advisory Committee, the Hailey Planning and Zoning Commission, and the Hailey City Council;

WHEREAS, Idaho Code 67-6509(c) states that no plan shall be effective unless adopted by resolution of the governing board.

NOW, THEREFORE, BE IT RESOLVED by the City Council and the Mayor of the City of Hailey, in accordance with Idaho Code 67-6508, that the 2010 Hailey Comprehensive Plan Part Five be amended by the addition of the Caplan Development Impact 2012 Update, attached hereto, which is approved and adopted by the Hailey City Council.

PASSED AND ADOPTED BY THE HAILEY CITY COUNCIL AND APPROVED BY THE MAYOR THIS \_\_\_\_\_ DAY OF AUGUST, 2012.

\_\_\_\_\_  
Fritz X. Haemmerle, Mayor

ATTEST:

\_\_\_\_\_  
Mary Cone, City Clerk

**DIF Advisory Committee Findings**

## Heather Dawson

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**From:** Carson Bise <carson@tischlerbise.com>  
**Sent:** Wednesday, August 08, 2012 10:51 AM  
**To:** Heather Dawson  
**Subject:** Impact Fee Study

Heather

I hope all is well. I've been following your impact fee study through the newspaper. I would strongly advise against the proposal I read about that has a flat rate for all nonresidential development. This will leave the city vulnerable to challenge from a proportionality perspective, as office, retail and industrial all have drastically different employment densities and vehicle trip generation rates. There are other legitimate ways of legally reducing the fees to help mom and pop business. Call me if you'd like to discuss.

L. Carson Bise II, AICP  
President  
**TischlerBise, Inc.**  
4701 Sangamore Road S240  
Bethesda, MD 20816  
(301) 320-6900 Ext. 12  
Mobile (240) 401-4031  
[www.tischlerbise.com](http://www.tischlerbise.com)



## Heather Dawson

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**From:** Rich Caplan <richcaplan@aol.com>  
**Sent:** Monday, August 13, 2012 8:11 AM  
**To:** Heather Dawson  
**Cc:** fxh@haemlaw.com; Ned Williamson  
**Subject:** Re: Development Impact Fees

Heather:

Let me preface my response by saying that I am not an attorney and you may want Ned to elaborate on this. But I would respond that after reviewing, again, the requirements of the Idaho statutes, we followed all of the requirements to determine the impact fee. The fee is required to be reviewed, and adjusted, by the city at least every five years, is based on the fact that cities operations and capital needs change (and to make sure that the city is using the fees collected). So I see no question or issue about whether or not the fees go up or go down as long as they are based on sound methodology including 1. the city's projected population; 2. The city's budgets and 3. An official CIP (Your new CIP that we used for these fees should be adopted by the City Council). (Note that development impact fees were raised by the City of Ketchum after their initial adoption.)

The only question I would raise is given a different/preferential rate to certain types of businesses or locations within the city (such as downtown). I would think to be clear the city should clearly state why some areas of the city warrant a different (i.e. lower rate) than other areas of the city that are paying a full rate. I do not have a clear legal answer to that question. I know that many cities do routinely provide discounts or incentives in support of public policy objectives (encourage industrial growth, support downtown, etc.) Again, in the City of Ketchum, the city specifically exempted applying impact fees to affordable housing units - a local public policy there to support more employee housing (and keep the cost lower). So there is precedent for a reduction or elimination of a portion of the fee in Idaho.

As far as the everything else in the Development Impact Fee, I am confident that Idaho's Impact Fee law was carried out in determining the recommended rates for Hailey.

If you would like to discuss this further, let me know and I will give you a call.

Rich Caplan

-----Original Message-----

**From:** Heather Dawson <heather.dawson@haileycityhall.org>  
**To:** Rich Caplan (richcaplan@aol.com) <richcaplan@aol.com>  
**Cc:** Haemmerle Fritz (fxh@haemlaw.com) <fxh@haemlaw.com>; Ned Williamson <wlo@cox-internet.com>  
**Sent:** Wed, Aug 8, 2012 4:01 pm  
**Subject:** Development Impact Fees

Hi Rich -

Earlier this week our city council reviewed the DIF Advisory Committee recommendation to average 7 types of commercial fees. You had assisted the Committee in that discussion by phone. The primary question the council had was whether this would be defensible, especially since several fees in several commercial categories would go up above the study.

Please reply by letting me know how this would be legally defensible. Would the higher fees withhold a legal challenge contending they exact more than the impact of the development?

**Heather Dawson**  
**City Administrator**  
**City of Hailey**  
**208-788-4221 x18**

**\*all email correspondence is public record**



# Development Impact Fee 2012 Update

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Prepared by  
RICHARD CAPLAN & ASSOCIATES

April 13, 2012

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## I. Executive Summary and Impact Fee Requirements

A development impact fee is based on the premise that a new development creates a portion of the demand for the public facilities the impact fee will help finance. The use of development impact fees provides some assurance that the City will continue to be able to provide a desirable level and quality of service benefiting both existing and new residents. This study provides the City of Hailey with an update to the City of Hailey's Development Impact Fee adopted by the Hailey City Council in 2007 (Ordinance no. 985).

The update utilizes the same methodology as the "Growth-Related Capital Improvements Plan and Development Impact Fee" Study dated March 23, 2007, and reflects demographical changes that have occurred in the City of Hailey since 2007 and incorporates the 2012 Capital Improvement Plan (C.I.P.). This updated C.I.P. considers and incorporates input received from the 2012 Hailey Citizen Survey.

Table A ("Summary of 2012 Impact Fee Updated Factors") presents 2012's primary changes from the 2007 Impact Fee Study that resulted in the 2012 recommended impact fee schedule (Table C – "Recommended Development Impact Fee Schedule").

**Table A**  
**Summary of 2012 Development Impact Fee Updated Factors**

<b>Factor</b>	<b>2007 Impact Fee Study</b>	<b>2012 Impact Fee Update</b>	<b>Basis for 2012 Update Adjustment or Source</b>
Population Growth Rate	4.50% per year	2.50% per year	City of Hailey 2010 Comprehensive Plan
Persons per Housing Unit (a)	Detached: 2.56 persons per unit; Attached: 2.55 persons unit	Detached: 2.50 persons per unit; Attached: 2.69 persons unit	2010 U.S. Census
Employment Growth Rate	4.75%; An average of 156 new jobs per year	2.53%; An average of 90 new jobs per year	U.S. Bureau of Economic Affairs data 1999 -2009
Trip Generation	ITE Trip Generation Handbook 2003	ITE Trip Generation Handbook 2008	Institute of Transportation Engineers 2008
Capital Improvements Plan	2007 Five Year Hailey C.I.P.	2012 C.I.P. through 2032	As revised by City in March, April 2012

(a) Detached housing is single family, owner-occupied units and attached housing is all other housing types, multi-family and/or renter-occupied.

Since the 2010 Census, permits for 37 residential units (13 single family units and 24 multi-family units) were issued in 2010 and 2011. Based on the average household size reported

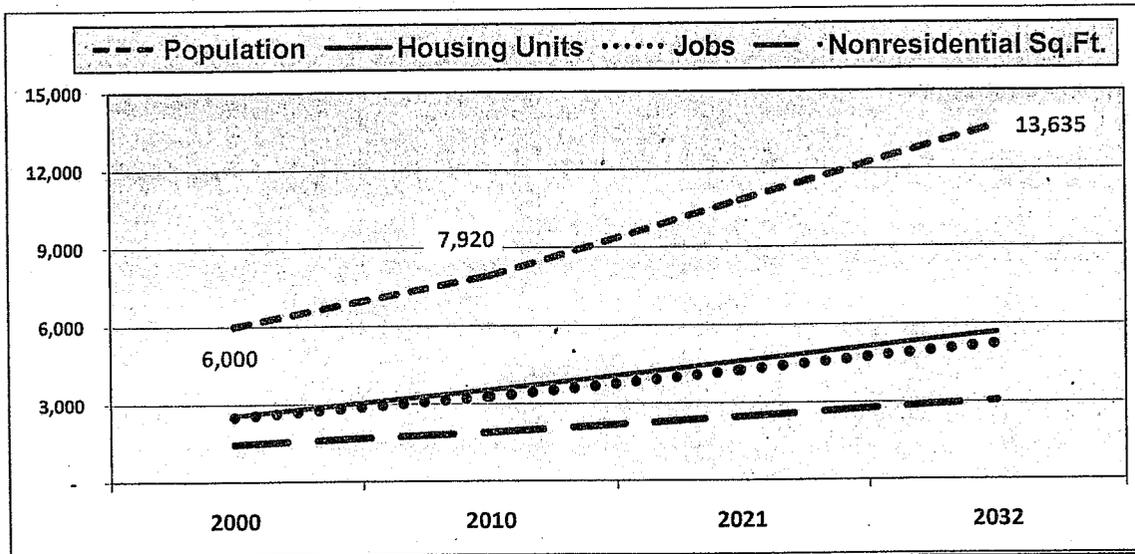
in the 2010 Census, it is estimated that these housing units have resulted in the city's population increasing by 97 residents in the last two years. The primary growth indicators for the impact fee study as presented in Table B are summarized in Graph A. 2010 data was used where data for 2011 published was not available.

**Table B**  
**Hailey Growth Indicators 2000 - 2032**

Growth Indicator	2000	2010	2032	2012 - 2032 Average Annual:	
				Increase	Growth Rate
Population	6,000	2010: 7,960 (2011: 8,057)	13,635	260	2.50%
Housing Units	2,257	2010: 3,527 (2011: 3,564)	5,661	97	2.47%
Jobs	2,516	3,264	5,244	90	2.53%
Nonresidential Sq. feet (in 000's)	1,462	1,896	3,047	52	2.53%
Average Weekday Vehicle Trips	N/A	38,605	64,043	750	2.50%

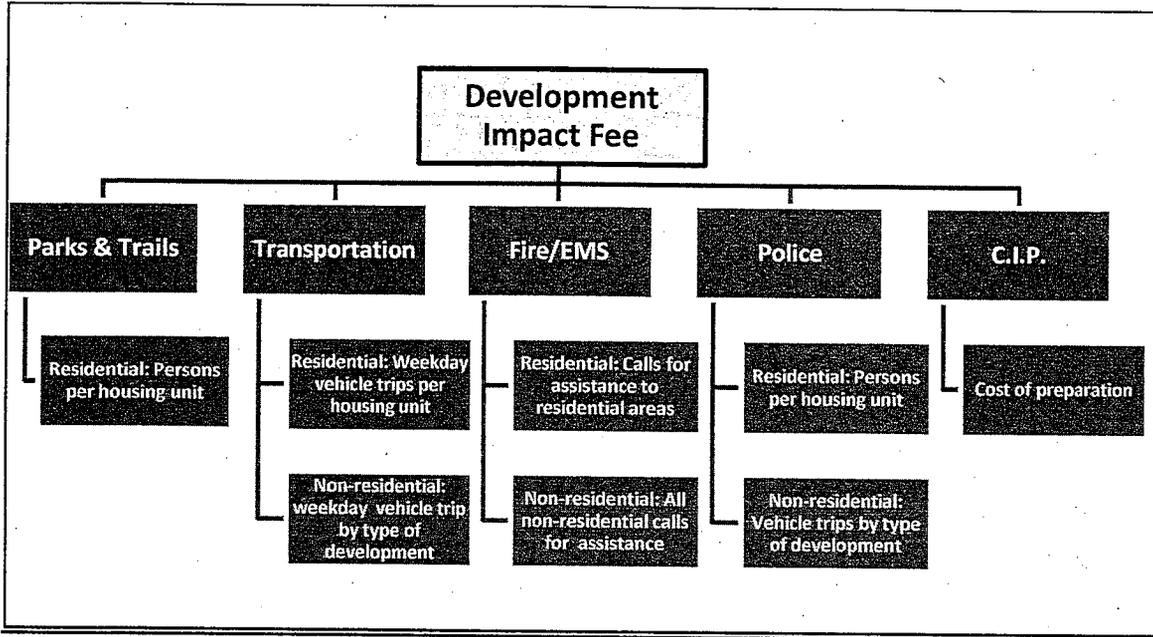
Source U.S. Census; City of Hailey; U.S. Bureau of Economic Analysis; Institute of Traffic Engineers.

**Graph A**



A summary of the use of these key factors incorporated into the impact fee calculations is presented in the following Graph B.

**Graph B**



Note: Adding the cost of preparing and updating the C.I.P. is specifically authorized in the Idaho Code.

The recommended schedule of development impact fees based on the City of Hailey 2012 Capital Improvement Plan is presented in Table C ("Recommended Development Impact Fee Schedule"). The 2012 recommended impact fee schedule is lower than the 2007 fee schedule. This reduction reflects of the number, cost and funding sources of the 2012 C.I.P. projects. For reference purposes, Table C also includes the Impact Fee Schedule adopted by the City of Hailey in 2007 (Ordinance 985).

**Table C**  
**Recommended Development Impact Fee Schedule**

	2007 Ord. 985	2012 Parks	Trans- portation	2012 Police	Fire & EMS	C.I.P. Cost	Proposed 2012
<b>Residential:</b>		Per housing unit					
Single Family Detached	\$2,629	\$120	\$1,063	\$248	\$310	\$69	\$1,810
All Other Housing Types (per unit)	\$2,010	\$129	\$651	\$267	\$334	\$69	\$1,450
<b>Non-residential:</b>		Per square foot of floor area					
Commercial (up to 25,000 SF)	\$6.64	n/a	\$5.52	\$0.20	\$0.89	\$0.05	\$6.66
Commercial (25,001-100,000 SF)	\$4.87		\$4.01	\$0.16	\$0.77	\$0.05	\$4.99
Commercial (100,001+ SF)	\$3.62		\$2.90	\$0.14	\$0.65	\$0.05	\$3.74
Office (up to 25,000 SF)	\$3.27		\$1.64	\$0.06	\$1.11	\$0.05	\$2.86
Office (25,001+ SF)	\$2.95		\$1.40	\$0.05	\$1.05	\$0.05	\$2.55
Medical-Dental Office	\$4.75		\$3.23	\$0.12	\$1.09	\$0.05	\$4.49
Hospital	\$2.90		\$1.57	\$0.04	\$0.91	\$0.05	\$2.57
Business Park	\$2.40		\$1.14	\$0.04	\$0.85	\$0.05	\$2.08
Light Industrial	\$1.56		\$0.62	\$0.02	\$0.81	\$0.05	\$1.50
Warehousing	\$0.98		\$0.44	\$0.02	\$0.34	\$0.05	\$0.85
Mini-Warehouse	\$0.28		\$0.23	\$0.01	\$0.01	\$0.05	\$0.30
<b>Other Non-residential:</b>		Per square foot of floor area					
Lodging (per room)	\$655	n/a	\$529	\$17	\$118	*	\$654
Day Care (per student)	\$445		\$420	\$14	\$43	*	\$477
Nursing Home (per bed)	\$345		\$222	\$7	\$96	*	\$325

\*Other non-residential will also pay the cost of C.I.P. preparation.

**Impact Fee Requirements in Idaho**

Idaho requires impact fee expenditures to be tied to cities' Capital Improvement Plans. Idaho Statute 67-8202 authorized municipalities to enact development impact fees to:

- Ensure that adequate public facilities are available to serve new growth and development;
- Promote orderly growth and development by establishing uniform standards by which local governments require that those who benefit from new growth and development pay a proportionate share of the cost of new public facilities needed to serve new growth; and
- Ensure that those who benefit from new growth and development are required to pay no more than their proportionate share of the cost of public facilities needed to serve new growth and to prevent duplicate and ad hoc development requirements.

The State of Idaho requires that the city's capital improvements plan be updated in conformance each time a governmental entity proposes an amendment, modification or adoption of a development impact fee ordinance. The City of Hailey updated its Capital Improvement Plan in 2012. Idaho law defines the type of public facilities which can be funded with impact fee revenues. Development impact fees may be levied only for the following types of public improvements and facilities:

- Roads, streets and bridges, including rights-of-way, traffic signals, landscaping and any local components of state or federal highways;
- Storm water collection, retention, detention, treatment and disposal facilities, flood control facilities, and bank and shore protection and enhancement improvements;
- Parks, open space and recreation areas and related capital improvements;
- Public safety facilities, including law enforcement, fire, emergency medical and rescue and street lighting facilities;
- Water supply production, treatment, storage and distribution facilities; and
- Wastewater collection, treatment and disposal facilities.

The State of Idaho statutes do not specifically provide for a development impact fee to support the development of general government infrastructure such as a new city hall, library related needs, etc.

#### Basis for Update and Changes Influencing the Hailey Impact Fee Since 2007

State law requires the City of Hailey to revise the city's development impact fee at least once every five years. Important changes since the 2007 impact fee adoption include the following:

1. City Population and Dwelling Unit Growth – The U.S. Census data report that the city's population in 2010 was 7,960. Hailey issued permits for 37 residential units in 2010 and 2011. Hailey has grown by 97 persons since 2010 based on the average number of persons per housing unit as reported in the 2010 U.S. Census.
2. Comprehensive Plan Changes – The 2010 Comprehensive Plan population projections require adjustment to the amount of future commercial square footage that Hailey will accommodate. This factor influences the development impact fee formula.
3. Changes in Capital Improvement Plan Projects and Costs - The adopted list of street, fire/EMS, police and parks and trails capital projects and capital equipment has changed since 2007. Changes in supplemental revenue sources such as grants have also been modified.

The following Table D ("City of Hailey Current and Projected Data") presents the basic data for the current and future population, housing units and amount of development to be completed in Hailey upon build-out.

The existing and projected population, employment and non-residential growth for the City of Hailey represents the proportionate shares that can be allocated to future capital improvement costs.

**Table D**  
**City of Hailey Current and Projected Data**

Category	2010 / 2012 Hailey	Estimated Hailey 2032	Share of 2032 to Date	% Outstanding to 2032
<b>Population</b>	8,057 (2012)	13,635	59%	41%
<b>Jobs</b>	3,264 (2010)	5,244	62%	38%
<b>Housing Units</b>	3,574 (2012)	5,661	63%	37%
<b>Non-residential Square Feet (in 000's)</b>	1,896 (2010)	3,047	62%	38%
<b>Service Units (population &amp; jobs)</b>	<b>11,321</b>	<b>18,879</b>	<b>60%</b>	<b>40%</b>

Based on the city's 2012 C.I.P., a total of approximately 26% of the C.I.P. is calculated to be eligible for incorporating into the development impact fee funding formula. (See Table E – "Summary of Capital Improvement Program Cost & Cost Allocation Data.") While it might be argued that these improvements are necessitated only by growth, the State standards limit the ability of the City to levy 100% of the costs on new development. State law specifies that the City must off-set development impact fee costs by the amount of anticipated and/or other dedicated funding the city will receive for such purposes. Other C.I.P. revenues considered in determining impact fee eligible funding allocation include:

- E. Elm SR2S Grant
- E. Myrtle Street Reconstruction SR2S Grant
- River Street HUD/ICDBG Grant
- River Street/EPA TCSP Grant
- URA River Street Financing and
- Broadford Road LHTAC Grant.

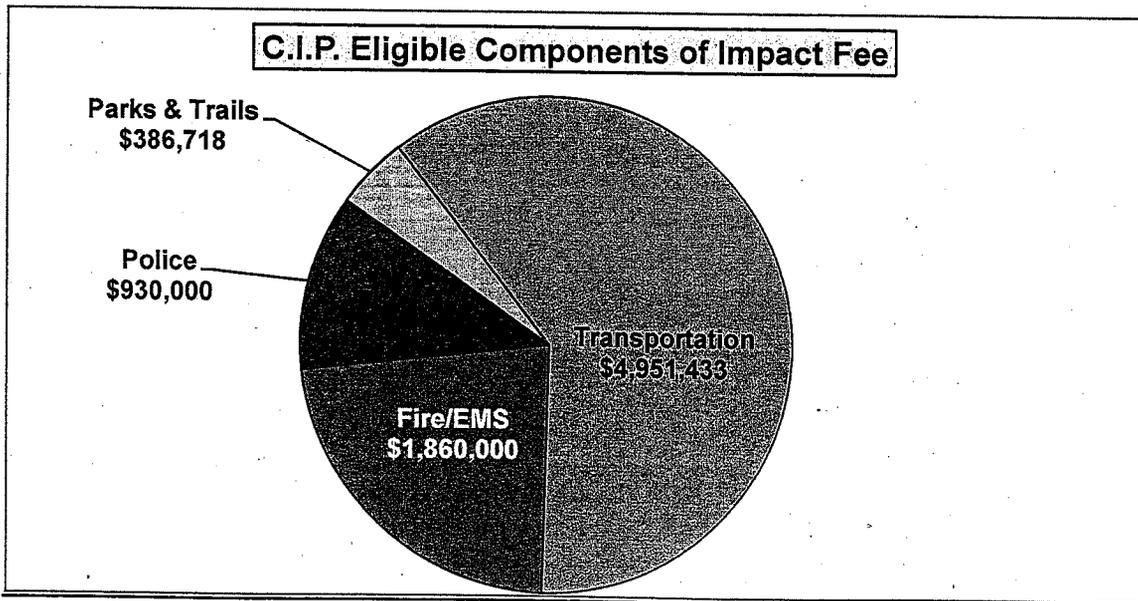
The net 2012 impact fee eligible cost for the City of Hailey is estimated at \$8,128,151. (See Table E – "Summary of Capital Improvement Program Cost & Cost Allocation Data.")

A detailed listing of the eligible projects for each service area is presented in the following sections of this update. The development impact fee is calculated using the capital needs of each of the four service areas separately. (See Table C - "Recommended Development

Impact Fee Schedule"). A summary of the eligible project costs are summarized in Table E for each major service area and are also included in detail in the individual service sections.

**Table E**  
**Summary of Capital Improvement Program Cost and Cost Allocation**

Service Area	TOTAL C.I.P. Projects 2013 - 2032	Net % Of C.I.P. Projects Growth Related Costs	Net Impact Fee Study Update-Eligible C.I.P. Costs
Parks and Trails	\$1,696,503	23%	\$386,718
Transportation	\$16,749,950	30%	\$4,951,433
Fire/EMS	\$10,330,850	18%	\$1,860,000
Police	\$2,739,961	34%	\$930,000
<b>TOTAL</b>	<b>\$31,517,264</b>	<b>26%</b>	<b>\$8,128,151</b>



## II. Parks and Trails

The parks and trails element of the development impact fee is based on the cost per service unit method specified in Idaho law. For the park impact fee, a service unit is a person. The project's cost components are allocated exclusively to residential development because it has been assumed that park and recreation facilities do not benefit commercial or industrial land users.

The impact fee is derived from the average number of persons per housing unit multiplied by the parks and trails capital cost per person. Only those parks and trails with improvements that have a citywide service area are eligible for impact fee funding.

Table F identifies the parks and trails within Hailey that draw residents from the entire city. Parks and trails improvement projects and each project's impact fee eligible costs are presented in the following Table F ("Parks and Trails Capital Improvement Program").

**Table F**  
**Parks and Trails Capital Improvement Program**

<b>Project</b>	<b>Total Cost (2013-2032)</b>	<b>Growth Related Share</b>	<b>Not Eligible</b>	<b>Net D.I.F. Eligible</b>
<b><u>Parks Projects:</u></b>				
Lions Park Restroom	\$59,800	30%	70%	\$17,940
Keefer Park Plaza/Public Art Project	\$53,900	30%	70%	\$16,170
Downtown Plaza Land Acquisition	\$500,000	40%	100%	\$200,000
Downtown Strategy - Plaza	\$275,000	40%	100%	\$110,000
Interpretive Center Gallery	\$405,878	None	100%	\$0
Multi-use Arena Improvements	\$140,000	None	100%	\$0
Foxmoor Park Restroom	\$62,400	None	100%	\$0
<b><u>Trails Projects:</u></b>				
Parks Trail B	\$89,125	30%	70%	\$26,738
Founders Trail	\$52,900	30%	70%	\$15,870
Parks Winter Fox Trail	\$57,500	None	100%	\$0
<b>Total Project Costs:</b>	<b>\$1,696,503</b>			<b>\$386,718</b>
2012 Population				8,057
<b>Total Parks Capital Cost Per Person</b>				<b>\$48</b>

Based on the city's 2012 population of 8,057, the improvement cost per person for parks is \$48 per person. This results in an impact fee of \$120 per detached (single family) unit and \$129 for all other residential units. (See Table G.)

**Table G**  
**Parks and Trails Impact Fee Calculations and Fee Schedule**

<b>Parks Impact Fee per Housing Unit</b>	<b>Persons per housing unit</b>	<b>Fee per Person</b>	<b>Impact Fee</b>
Single Family Detached	2.50	x \$48	\$120 per unit
All Other Housing Types	2.69	x \$48	\$129 per unit

### III. Transportation

For transportation infrastructure, a "service unit" is a weekday vehicle trip specified by ITE. Hailey's 2012 C.I.P. contains projects designed to ensure that circulation continues to meet standards as growth occurs.

State law specifies that the City off-set development impact fee costs by the amount of dedicated funding it will receive or anticipates for such purposes from State subventions, state and federal grants, etc. Table H shows the \$16,749,950 streets and related improvements programmed in the 2012 C.I.P. and the amount eligible for impact fee funding.

**Table H**  
**Streets, Traffic and Transportation Capital Improvement Program**

Project	Total Cost (2013-2032)	Growth Related Share	Not Eligible	Net D.I.F. Eligible
Snow Storage	\$2,717,000	30%	70%	\$815,100
NE Woodside Streets	\$2,205,000	25%	75%	\$551,250
Reconstruct Woodside Ind.Park St.	\$1,548,750	25%	75%	\$387,188
Second Ave Reconstruction	\$1,380,000	40%	60%	\$552,000
Rolling stock (10+ years of life)	\$1,022,000	30%	70%	\$394,600
Woodside Drainage Improvements	\$ 924,000	None	100%	\$0
5th Avenue Reconstruction	\$ 906,250	25%	75%	\$226,563
E Myrtle St Reconstruction	\$ 656,250	40%	60%	\$262,500
E Bullion St Reconstruction	\$ 750,000	40%	60%	\$300,000
Airport Way Reconstruction	\$ 550,000	40%	60%	\$220,000
W. Bullion St Reconstruction	\$ 495,000	40%	60%	\$198,000
River St & Cedar St Roundabout	\$ 420,000	30%	70%	\$126,000
Silver Star Dr & Cedar St R'dabout	\$ 402,500	30%	70%	\$120,750
2nd & Myrtle Roundabout	\$ 367,500	30%	70%	\$110,250
4th & Elm Roundabout	\$ 385,000	30%	70%	\$115,500
4th Ave Reconstruction (Croy-Elm)	\$ 402,500	40%	60%	\$161,000
Croy Street - 2nd to Bike Path	\$ 335,500	40%	60%	\$134,200
E Elm St Reconstruction	\$ 306,900	40%	60%	\$122,760
Broadford Road	\$ 25,000	25%	75%	\$6,250
3rd Ave Sidewalks (Elm - Hwy.75)	\$ 230,000	40%	60%	\$92,000
Croy St. Bike Path to Quigley Rd	\$ 206,800	40%	60%	\$82,720
Missing Sidewalk Connections	\$ 100,000	40%	60%	\$40,000
City Shop Cold Storage Building	\$ 101,200	None	100%	\$0
Install New Drywells	\$ 80,250	None	100%	\$0
Street Shop Fuel Storage	\$ 60,500	None	100%	\$0
1st Ave Shared-use path	\$ 49,500	50%	50%	\$24,750
Pedestrian Crossing Lights	\$ 32,250	25%	75%	\$8,063
Portable Emergency Generator	\$ 33,000	None	100%	\$0
Inside Storage for salt	\$ 30,000	None	100%	\$0
Street Shop Security	\$ 27,300	None	100%	\$0
<b>TOTAL</b>	<b>\$16,749,950</b>	<b>30%</b>	<b>70%</b>	<b>\$4,951,433</b>

Within the total 20 year capital eligible project costs for streets, traffic and transportation improvements, the total eligible cost attributable to growth is \$4,951,433. Based on the city's projected increase in the average weekday vehicle trips, the improvement cost is \$194 per vehicle trip.

**Table I**  
**Transportation Impact Fee Calculations**

	Base Year 2010	2032	Net Increase	Cost of Eligible Projects & Equipment	Average Cost per Vehicle Trip
Average Weekday Vehicle Trips	38,605	25,438	64,043	\$4,951,433	
<b>Total</b>					<b>\$194</b>

Average weekday vehicle trips are calculated based on the Institute of Traffic Engineers trip generation data. Transportation related impact fees for non-residential development are based on floor area except for lodging, day care facilities and nursing homes.

The result is an impact fee of \$1,063 per detached (single family) unit and \$651 for all other residential units. (See Table J - Transportation Impact Fee Schedule".)

**Table J**  
**Transportation Impact Fee Schedule**

<b>Residential:</b>	<b>Weekday Vehicle Trips</b>	<b>Impact Fee</b>
Single Family Detached	9.57	\$1,063 per unit
All Other Housing Types	5.86	\$651 per unit
<b>Non-Residential:</b>		<b>Fee Per Square Feet of Floor Area</b>
Commercial (up to 25,000 SF)	110.32	\$5.52
Commercial (25,001-100,000 SF)	67.91	\$4.01
Commercial (100,001+ SF)	41.80	\$2.90
Office (up to 25,000 SF)	18.35	\$1.64
Office (25,001+ SF)	15.65	\$1.40
Medical-Dental Office	36.13	\$3.23
Hospital	17.57	\$1.57
Business Park	12.76	\$1.14
Light Industrial	6.97	\$0.62
Warehousing	4.96	\$0.44
Mini-Warehouse	2.50	\$0.23
<b>Other Non-Residential:</b>		
Lodging (per room)	5.63	\$529 per room
Day Care (per student)	4.48	\$420 per student
Nursing Home (per bed)	2.37	\$222 per bed

Note: Per ITE trip generation rates, trip adjustment factors are applied to avoid double counting each trip at both the origin and destination points.

#### **IV. Fire and Emergency Medical Services**

The fire and EMS element of the development impact fee is based on the number of residents for residential development and the number of jobs for commercial and industrial development.

Proportional share factors were used to allocate capital costs to residential and non-residential development. Proportionate share is based on the number of fire and EMS incidents by property use category for 2010 as reported by the Hailey Fire Department. There were a total of 389 fire and rescue call responses by the Hailey Fire Department in 2010. The Fire Department reported that 205 of these calls, or 53% of the total were for residential development and 184 calls, or 47% of the total was for non-residential assistance.

Table K presents the fire and EMS capital projects and equipment requirements in the 2012 C.I.P., and the net amount eligible to be allocated to the impact fee. The table also allocates the residential and non-residential development impact fee using the proportionate share factors allocated to the impact fee. ("Fire/EMS C.I.P. Projects, Equipment and Proportionate Share").

The total 20 year net eligible costs for the Fire Department is \$1,860,000. Table K ("Fire & EMS C.I.P. Projects, Equipment and Proportionate Share") recommends the cost per demand unit for the fire and EMS elements of the C.I.P.

**Table K  
 Fire & EMS C.I.P. Projects, Equipment and Proportionate Share**

Project, Equipment	Total Cost (2013-2032)	Growth Related Share	Not Eligible	Net D.I.F. Eligible
Fire Station - South	\$3,133,750	25%	75%	\$783,438
Fire Station - North (Building)	\$1,906,250	25%	75%	\$476,562
Fire Station – Land Acquisition	\$1,500,000	25%	75%	\$375,000
Fire - Replace Eng. #1 (with Aerial Ladder)	\$900,000	25%	75%	\$225,000
Fire - Replace Engine #3	\$587,000	None	100%	\$0
Fire - Replace Engine #2	\$562,500	None	100%	\$0
Fire - Replace Engine #4	\$467,500	None	100%	\$0
Fire - Vehicle Engine #3	\$340,000	None	100%	\$0
Fire - SCBA Replacement	\$336,050	None	100%	\$0
Fire - Structural Fire Clothing	\$289,800	None	100%	\$0
Fire - Replace Vehicle #9	\$170,750	None	100%	\$0
Fire - Replace EMS #6	\$110,750	None	100%	\$0
Fire - Replace EMS #6	\$110,750	None	100%	\$0
Fire - Replace Vehicle #5	\$68,750	None	100%	\$0
<b>TOTAL</b>	<b>\$10,330,850</b>	<b>N / A</b>	<b>N / A</b>	<b>\$1,860,000</b>
		↓	← ---	↙
Development	Proportionate Share	Proportionate Share Cost	Demand Units	Cost per Demand Unit
Residential	53%	\$985,000	7,960	\$124
Non-residential	47%	\$874,200	3,264	\$268

Using the projected number of residential units through 2032, the impact fee is \$124 per residential service unit. The impact fee for non-residential development varies based on the number of employees per 1,000 square feet. For non-residential development, a service unit is a multiplier of \$268 per employee based on the number of employees per 1,000 square feet as published by the Institute of Traffic Engineers 2008 and the Urban Land Institute Development Handbook. (See Table L – “Fire/EMS Impact Fee Schedule”).

The following Table L presents the recommended impact fee for Fire/EMS based on the number of persons per housing unit and the number of employees per square foot for commercial and industrial development.

**Table L**  
**Fire/EMS Impact Fee Schedule**

<b>Residential:</b>	<b>Persons per Unit</b>	<b>Per Person</b>	<b>Impact Fee</b>
Single Family Detached	2.50	x \$124	\$310 per unit
All Other Housing Types	2.69	x \$124	\$334 per unit
<b>Non-Residential: (@ \$268 per employee)</b>	<b>Employees per 1,000 Square Feet</b>		<b>Fee Per Square Feet of Floor Area</b>
Commercial (up to 25,000 SF)	3.33		\$0.89
Commercial (25,001-100,000 SF)	2.86		\$0.77
Commercial (100,001+ SF)	2.50		\$0.65
Office (up to 25,000 SF)	4.15		\$1.11
Office (25,001+ SF)	3.91		\$1.05
Medical-Dental Office	4.05		\$1.09
Hospital	3.38		\$0.91
Business Park	3.16		\$0.85
Light Industrial	3.02		\$0.81
Warehousing	1.28		\$0.34
Mini-Warehouse	0.04		\$0.01
<b>Other Non-Residential:</b>			
Lodging (per room)	0.44		\$118 per room
Day Care (per student)	0.16		\$43 per student
Nursing Home (per bed)	0.36		\$96 per bed

**V. Police**

Hailey police services deal with service demands from the resident and employment populations.

The major capital need for the Hailey Police Department is an adequately sized and outfitted police station. The development impact fee for police will be designed to ensure that new development contributes a fair share to the costs of building the new station which will provide adequate services to the community.

**Table M**  
**Police Proportionate Share Factors**

<b>Functional Population</b>	<b>Demand Units in 2010</b>	<b>Demand Hours/Day</b>	<b>Person Hours</b>
<b><u>Residential</u></b>			
Population	7,960 ↓		
Residents Not Working	3,266	x 24 hours	78,384
Residents Working	4,694 ↓		
Residents Working in the City	1,820	x 16 hours	29,120
Residents Working Outside City	2,874	x 16 hours	45,984
<b>Residential Sub-total</b>			153,488 = 85% of total
<b><u>Non-Residential</u></b>			
Jobs Located in the City	3,264 ↓		
Residents Working in the City	1,820	x 8 hours	14,560
Non-Resident Workers	1,444	x 8 hours	11,552
<b>Non-Residential Sub-total</b>			26,112 = 15% of total
<b>TOTAL PERSON HOURS:</b>			<b>179,600</b>

Table N presents the police capital projects and equipment requirements in the C.I.P. and the net amount eligible to be allocated to the impact fee. The table also is used to allocate the residential and non-residential development impact fee using the proportionate share factors as indicated in Table M.

**Table N**  
**Police C.I.P. Projects**

Project, Equipment	Total Cost (2013-2032)	Growth Related Share	Not Eligible	Net D.I.F. Eligible
New Police Headquarters	\$1,860,000	50%	50%	\$930,000
Police Vehicles	\$879,961	0%	100%	\$0
<b>TOTAL</b>	<b>\$2,739,961</b>			<b>\$930,000</b>
<b>Functional Population</b>				
Functional Population	Proportional Share	2010 Demand Units		Cost per Demand Unit
Residential	x 85%	7,960 persons		\$99.31
Non-residential	x 15%	22,305 Non-residential vehicle trips		\$6.25

Table O ("Police Impact Fee Schedule") recommends the supportable impact fee for the police elements of the C.I.P. Fees for the majority of the non-residential development categories are on a per square foot of floor area basis.

The total 20 year capital costs for the Police Department is \$2,739,961. A total of \$930,000 is projected to be subject to the impact fee. Based on the city's projected population and the increase in the average vehicle trips, the impact fee is \$248 per detached (single family) unit and \$267 for all other residential units. (See Table O – Police Impact Fee Schedule".)

**Table O**  
**Police Impact Fee Schedule**

<b>Residential:</b>	<b>Persons per Unit</b>	<b>Fee Per Person</b>	<b>Impact Fee</b>
Single Family Detached	2.50	\$99.31	\$248 per unit
All Other Housing Types	2.69	\$99.31	\$267 per unit
<b>Non-Residential:</b>	<b>Trips per Demand Unit</b>	<b>Fee Per Trip</b>	<b>Fee Per Square Feet of Floor Area</b>
Commercial (up to 25,000 SF)	110.32	\$6.25	\$0.20
Commercial (25,001-100,000 SF)	75.10	\$6.25	\$0.16
Commercial (100,001+ SF)	53.92	\$6.25	\$0.14
Office (up to 25,000 SF)	18.35	\$6.25	\$0.06
Office (25,001+ SF)	15.65	\$6.25	\$0.05
Medical-Dental Office	36.13	\$6.25	\$0.12
Hospital	11.81	\$6.25	\$0.04
Business Park	12.76	\$6.25	\$0.04
Light Industrial	6.97	\$6.25	\$0.02
Warehousing	4.96	\$6.25	\$0.02
Mini-Warehouse	2.50	\$6.25	\$0.01
<b>Other Non-Residential:</b>			
Lodging (per room)	5.63	\$6.25	\$17 per room
Day Care (per student)	4.48	\$6.25	\$14 per student
Nursing Home (per bed)	2.37	\$6.25	\$7 per bed

## VI. C.I.P. Implementation and Administration

The Idaho Development Impact Fee Act requires the impact fees to be periodically evaluated and updated to reflect recent data. This requirement recognizes that the cost of impact fee eligible improvements, equipment and land influence the C.I.P. and therefore the basis for calculating the development impact fees.

Adding the cost of preparing and updating the C.I.P. is specifically authorized in the Idaho Code. This update is the first update of the impact fee since adoption in 2007. Therefore, a five year cost period was used since the city has used a five year time frame for updating the Development Impact Fee.

Based on the average proportionate share of the type of development determined in this study, the cost is \$69 per housing unit and \$0.05 per square foot of non-residential development. (See Table P.)

**Table P**  
**C.I.P. Cost Allocation per Development Unit**

<b>C.I.P. Cost Component</b>	<b>Cost</b>	
Consultant Study	\$17,500	
City Staff Time (@ 3% for 2 persons per year for 5 years)	\$30,000	
<b>Total Cost:</b>	<b>\$47,500</b>	
<b>Proportionate Share by Type</b>		
	<b>Residential</b>	<b>Non-Residential</b>
Parks	100%	0%
Transportation	44%	56%
Police	85%	15%
Fire & EMS	53%	47%
<b>Combined Average:</b>	<b>70%</b>	<b>30%</b>
<b>C.I.P. Cost Allocation:</b>	<b>\$33,250</b>	<b>\$14,250</b>
Projected Development Units (5 yrs.)	485 housing units (@ 97 units per year)	260,000 Square Feet (@ 52,000 sf per year)
<b>C.I.P. Cost Impact Fee</b>	<b>\$69 per housing unit</b>	<b>\$0.05 per square foot</b>

**Appendix**

2007 Development Impact Fee Schedule (Adopted Ordinance 985) and Proposed 2012

Use	2007 Fee Schedule					2007 Total Fee	Proposed 2012 Total Fee
	Parks	Transportation	Police	Fire & EMS	C.I.P. Cost		
<b>Residential:</b>							
Per housing unit							
Single Family Detached	\$934	\$903	\$365	\$350	\$77	\$2,629	<b>\$1,810</b>
All Other Housing Types (per unit)	\$782	\$553	\$305	\$293	\$77	\$2,010	<b>\$1,450</b>
<b>Nonresidential:</b>							
Per square foot of floor area							
Commercial (up to 25,000 SF)		\$4.94	\$0.31	\$1.33	\$0.06	\$6.64	<b>\$6.66</b>
Commercial (25,001 – 100,000 SF)		\$3.58	\$0.23	\$1.00	\$0.06	\$4.87	<b>\$4.99</b>
Commercial (100,001+ SF)		\$2.60	\$0.16	\$0.80	\$0.06	\$3.62	<b>\$3.74</b>
Office (up to 25,000 SF)		\$1.46	\$0.09	\$1.66	\$0.06	\$3.27	<b>\$2.86</b>
Office (25,001+ SF)		\$1.25	\$0.08	\$1.56	\$0.06	\$2.95	<b>\$2.55</b>
Medical-Dental Office		\$2.89	\$0.18	\$1.62	\$0.06	\$4.75	<b>\$4.49</b>
Hospital		\$1.40	\$0.09	\$1.35	\$0.06	\$2.90	<b>\$2.57</b>
Business Park		\$1.02	\$0.06	\$1.26	\$0.06	\$2.40	<b>\$2.08</b>
Light Industrial		\$0.55	\$0.03	\$0.92	\$0.06	\$1.56	<b>\$1.50</b>
Warehousing		\$0.39	\$0.02	\$0.51	\$0.06	\$0.98	<b>\$0.85</b>
Mini-Warehouse		\$1.20	\$0.01	\$0.01	\$0.06	\$1.28	<b>\$0.30</b>
<b>Other Non-residential:</b>							
Lodging (per room)		\$450	\$29	\$176	*	\$655	<b>\$654</b>
Day Care (per student)		\$358	\$23	\$64	*	\$445	<b>\$477</b>
Nursing Home (per bed)		\$189	\$12	\$144	*	\$345	<b>\$325</b>

- Other nonresidential will also pay the cost of C.I.P. preparation and administration at the rate of \$0.06 per square foot of floor area.

**Percentage Applied for Projected Demand and/or Service Units**

<b>Demand or Service Unit Factor</b>	<b>2010</b>	<b>Percent of Total</b>
Population	7,960	
Jobs	3,264	
<b>Population &amp; Jobs</b>	<b>11,234</b>	
Residential Units	3,527	
Single Family detached units	2,176	61.7% of units
All Other types of units	1,351	38.3% of units
<b>Residential Avg. Day Vehicle Trips</b>	<b>17,444</b>	<b>43.9% of total</b>
<b><u>Non-Residential</u></b>		
Non-residential Floor Area (in 000's)	1,896	
<b>Non-Residential Avg. Day Vehicle Trips</b>	<b>22,305</b>	<b>56.1% of total</b>
<b>Total Average Day Vehicle Trips</b>	<b>39,749</b>	<b>100%</b>

