

**MINUTES OF THE REGULAR MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, APRIL 25, 2005
IN THE HAILEY TOWN CENTER MEETING ROOM**

The regular meeting of the Hailey City Council was called to order at 5:30 p.m. by Mayor Susan McBryant. Present were Council members Rick Davis, Martha Burke, and Don Keirn. Carol Brown was absent. Staff present included City Attorney Ned Williamson and City Clerk Heather Dawson.

OPENING REMARKS

Mayor McBryant noted that April 30 is the day of the child, and the Hailey Public Library was offering a program to commemorate it. The Library had also been awarded a \$1000 grant from the Irene Barratt foundation.

The mayor called attention to the new traffic safety features on Main Street, including new count-down left-turn arrows at Bullion and new green crossing flags at all intersections.

LOCAL OPTION TAX WORKSHOP

Dawson presented research pertaining to a local option tax, including that sale of liquor from the state liquor store in Hailey amounted to approximately \$1,000,000 per year, and that the occupancy of Hailey area hotels is over 50% in all months of the year, and in some months the occupancy of Hailey's hotels is higher than that of Ketchum/Sun Valley area hotels. She presented information from Company of Fools and the Hailey Parks Department showing events at each facility and how much out-of-towners these events attract.

Davis said the occupancy rate of Hailey beds gives him comfort level, as does the parks usage statistics, toward making a finding that Hailey is a destination tourist area. Burke said she was unable to get answers to the airport questions. Keirn asked if an agency needs to be convinced. Williamson said the council doesn't need to convince a state agency, but does need to convince itself, and be able to defend its findings.

Davis said the council also needs to figure out where the money is going to go to. If the money goes into the general fund, people have said they will vote against it, but if it will go to improve parks, then they would vote for it. McBryant said the funds can be applied to services that are impacted by tourism, in effect shifting the revenue base to leave other general fund services covered by traditional revenue streams. Craig Bates said city beautification is part of what the tax should be used for. Burke said it is harder to sell sidewalks as a desirable end to LOT funding. Transportation and safety is an important element for tourists. McBryant said the impact from tourism is heaviest upon parks, fire, and police services. Fire services are stretched during holidays, as are police services. During events such as the Northern Rockies Folk Festival, Hailey emergency

departments hope they don't have a fire or incident requiring police, because their departments are stretched too thin for that influx of people. Keirn said Hailey provides fire protection for the airport. Jim Spinelli said the public doesn't know that. They don't know that we have a problem. If the public doesn't know that, this won't go. The public knows there is a lot of money. If we don't have money for parks, maybe it's because we're not putting money where it needs to go. We have an ignorant public that doesn't understand that we have a problem.

Carol Waller noted that Ketchum and Sun Valley made the point in its LOT measure that locals don't pay the tax; those resort cities' tax isn't broad based across all retail. Those cities published studies that said locals won't pay the tax. Keirn said Ketchum and Sun Valley experience chaos in high season, summer and winter. That's not the case in Hailey. Davis said if Hailey were to tax rooms, alcohol drinks by the glass, and restaurants, locals would have to pay some of the tax too. He referenced Hellen's comment from a previous discussion that Hailey people go to Ketchum to eat at restaurants, and don't mind paying the tax.

Williamson said if the city council goes forward toward adopting an ordinance, it will need to make a finding about Hailey being a destination tourist economy, and the ordinance will contain 4 elements including what will be taxed, what tax rate will be applied, what the purposes for the revenues will be, and the duration of the tax. The ordinance would be submitted to voters for approval. Burke said more people will be at the polls during the November election. If it looks like this incumbent council is pushing an LOT and our community doesn't want it, we'll fail with an LOT. Davis said we need more time to sell it.

Spinelli said if voters know we have a problem they will be willing, as long as they approve what the money will be used for. The grassroots populace don't understand that Hailey government has a shortfall of funds. McBryant asked if the \$20,000 per year revenue gain from a hotel tax would warrant going through a local option tax measure. Davis said liquor by the drink would bring significant revenue. Waller encouraged the council to get more data together. Beth Callister said if the city is going to take its time, it might be worth while looking at a package of things the city could do to cover shortfalls in the budget. That might complicate things, by bringing more stakeholders into the fold, which would help the public better understand how the city is going to deal with its revenue shortfalls. Spinelli said explaining that we have shortfalls and then explaining 2 or 3 remedies is important. Keirn said all of this offers good opportunity to educate the people on our overall financial structure. Burke said hotels are a shoe-in, but as soon as the LOT measure starts moving more into local's wallets, that's when it starts to get more complex. Davis liked the idea of restaurant owners being asked what they feel about a tax like this. He would like to nail down how much tax liquor by the drink can draw. Spinelli said the process should involve putting together a draft budget, put the costs together, and break it down that way.

McBryant asked if there is a time frame in which an action needs to be taken. She was disinclined to burden the staff with more projects to assist in getting information on this if

the council doesn't feel it could vote in the affirmative. Williamson said there are some meaty questions to be asked before the council adopts an ordinance. McBryant said we may need to wait until that information is more available.

Davis wanted to survey the restaurants and bars. Burke said she still will pursue finding out whether the rental cars can be taxed. He asked Hyde to put together a budget for parks maintenance, including the new Woodside Parks. Keirn wanted to look at fire and police impacts from tourism. Waller said she lives in Hailey and doesn't know where the parks are suffering from a deficit. The city needs to answer the question - where is the crunch, and how will an LOT make our community better.

CONSENT AGENDA

CA140, CA141, and CA136 were pulled from the consent agenda. Davis moved and Burke seconded that the remaining consent agenda items be approved as follows:

- ~~CA 136 Motion to authorize Water Storage Tank Easement Agreement with Quigley Partners.~~
- CA 137 Motion to approve Agreement with Walker Sand and Gravel for purchase of gravel for 2005 chip seal project.
- CA 138 Motion to approve Agreement with Idaho Sand and Gravel for purchase of oil for 2005 chip seal project.
- CA 139 Motion to approve minutes of March 28, 2005, and to suspend reading of them.
- ~~CA 140 Motion to approve minutes of April 7, 2005, and to suspend reading of them.~~
- ~~CA 141 Motion to approve minutes of April 11, 2005, and to suspend reading of them.~~
- CA 142 Motion to approve claims for expenses processed between March 14 and April 20, 2005.
- CA 143 Motion to approve contract to clean carpets at city hall.
- CA 144 Motion to approve contract with Municipal Support Services of Idaho to develop brochures and checklists as outlined in the Fire Safety Grant Project, in an amount not to exceed \$10,000
- CA 145 Motion to approve Resolution to waive state statutes placing restrictions on the sale of alcohol beverages within 300 feet of a school or church to property at 411 North Main, and to authorize issuance by the city clerk of an alcohol beverage license to Rob Cronin dba Viva Taqueria at 411 North Main.
- CA 146 Motion to waive the requirement that a special event not occur more than 8 times during a calendar year for the Farmers Market to operate weekly from June through October at Bullion Square, finding that the economic vitality of Hailey's downtown is enhanced by a weekly alternative market.
- CA 147 Motion to approve Engineer's recommendation of the Transpo Group to perform the Hailey Transportation Master Planning Study.

Williamson said he had pulled CA136, the Quigley Water Storage Tank easement agreement, to allow Burke to recuse herself. He said the agreement as drafted by Quigley Partners needs to be amended, and Williamson had described his recommended amendments in a letter to Quigley Partners. He asked for council authorization to have the agreement executed after his recommended language is implemented. Keirn moved to approve the Quigley Water Storage Tank Easement agreement, Keirn seconded; the motion carried with Keirn and Davis in favor, Burke abstaining (Brown was absent).

CA 140 – City Council Minutes of April 7, 2005. The minutes had been pulled from the consent agenda to allow Keirn to abstain. Davis moved to approve the minutes of April 7, 2005. Burke seconded; the motion carried with Davis and Burke in favor, and Keirn abstaining.

CA 141 – City Council Minutes of April 11, 2005. The minutes had been pulled from the consent agenda to allow Keirn to abstain. Burke moved to approve the minutes of April 11, 2005. Davis seconded; the motion carried with Davis and Burke in favor, and Keirn abstaining.

**OB 148 3rd READING ORDINANCE 902 – TOWNSITE OVERLAY
MINIMUM LOT SIZE**

Davis moved, and Burke seconded to approve the third reading of Ordinance 902 by title only. The motion carried unanimously, and Mayor McBryant read the ordinance by title only.

**OB 149 3rd READING ORDINANCE 892 – REZONE OF CENTRAL
WOODSIDE PARCELS**

Burke moved, and Keirn seconded to approve the third reading of Ordinance 902 by title only. The motion carried unanimously and Mayor McBryant read the ordinance by title only.

PH 150 FINAL PLAT APPROVAL - SILVERSTONE TOWNHOMES

Kim Johnson of Galena Engineering presented seven single family units and one triplex, which comprises Silverstone Townhomes.

Diane Shay said the final plat is consistent with the preliminary plat that was submitted. The middle area is being used as a staging area for construction, and will be completed when the exterior units are done. The park will be maintained by the homeowner's association.

Mayor McBryant opened the public hearing.

Karen Bliss of 860 Ponderosa said that in an earlier meeting on Nov 4, 2004, the city engineer had said the developer will be paying for the bike path, with a completion date as soon as possible. She asked when is that tentative completion date? McBryant asked if the development agreement applies to this. Williamson said a bond will have to be presented before the plat is recorded. The applicant will have to either get it done or bond for the improvements. Bliss asked if the bike path will go around Parcel W. Shay said the bike path is Parcel W. Bliss asked if a barrier could be put from Woodside to stop cars from going up and down the canal road. McBryant said city staff will talk to her about that tomorrow. Bliss asked if the city would require a privacy fence. McBryant said that was not required as part of the preliminary plat.

Rose Beck of 950 Ponderosa asked if this is the original plan. McBryant said the commission heard this matter twice, and the city council heard the preliminary plat once. Beck asked if there are more units being built. Shay said the number of lots has not changed from the original submittal. Beck said the first unit to be finished will be a triplex close to Pheasant Run, and felt there should be compliance with solar issues. McBryant said design review has already been accomplished on this. Beck wanted a copy of the design review minutes.

There being no further public comment, the Mayor closed the public hearing.

Council members had no comments. **Davis moved that the council approve final plat of Silverstone Townhomes with conditions A-I.** Keirn seconded, and the motion carried unanimously.

PH 151 – WOOD RIVER HIGH SCHOOL PUD SUBDIVISION

Keirn moved to table this matter at the applicant's request. Davis seconded; the motion carried unanimously.

PH 152 – ZONING ORDINANCE AMENDMENT - HOUSEKEEPING

Grotto said the proposed ordinance amendment would add to the list of the planning administrator's nine duties already listed the duty to interpret the zoning ordinance. She said there is clarification as to the 30 foot height limit, not allowing exception up to 35 feet. In the flood hazard overlay district, language has been deleted "except as provided herein". Following a question from McBryant, Grotto explained that housekeeping amendments can be initiated by staff.

McBryant opened the public hearing. There was none.

Davis moved to adopt the ordinance amendments, finding they are in conformance with the comprehensive plan and promote the health safety and welfare of the general public. Burke seconded; the motion carried unanimously.

**PH 153 COMPREHENSIVE PLAN AMENDMENTS –
 NATURAL RESOURCES and PARKS SECTIONS**

Shay said the document at the last meeting did not have the changes tracked, although she had verbally addressed the changes. She now had incorporated the comments made at the last meeting by the council and the public. She had taken an inventory of vacant lots left in the flood plain, and there are approximately 5 to 10 lots. The council had talked about ridgelines, and there were some changes drafted relative to those comments. Language had been inserted to establish Hailey as a tree city. An entire section was added to the Natural Resources section which had been previously been in Parks and Recreation section. The documents now refer to 23 acres of parks per John Gaeddert's suggestion.

McBryant asked if the intent is to create a new jurisdiction with an overlay district to manage the Bigwood Waterways. Grotto said District in this context means Zone.

Keirn asked if protecting wetlands would affect the water park at the old Riverside plant site. He didn't want the city to get into a conflict with the development of that park and "protecting the natural state."

Mayor McBryant opened the public hearing. Aaron Domini said the language is much stronger than where we started. He said the Parks section speaks to impact fees. He supported any move the city could make toward having impact fees for parks and lands. Current standards are restrictive in terms of in lieu fees, with the cut off at nine units. He said the city may be prohibiting certain types of development, particularly in the city core. He urged a more even-handed enforcement of parks regulations.

Jon Marvel of 316 East Bullion asked if the school grounds is still in the parks and recreation section, which says 32 acres. Marvel said school grounds should not be counted as parks lands. School district lands are used primarily for school functions, and parameters are established for use of those lands in ways that may not reflect the desires of the citizens of Hailey.

Terry Hogue said under the definition of greenspace, the only part of Quigley ranch which qualifies is the hillsides. This greenspace is in conflict with land use map which says all that area should be residential. With conflicts between the two maps, the city may end up losing some residential areas.

Stephanie Marvel said she was on the parks board when these maps were put together. They represent broad goals for the entire community of Hailey.

Mayor McBryant closed the public hearing. McBryant said protected view planes was not great language to have in this document. Information on total park/school grounds acreage was provided from an outside party who has an interest relative to a private client, and she preferred we use our data. As to the inclusion of school parks, we don't have control, it's not available in the way a public park is available. It is almost like

taking someone's back yard and calling it parks space. Williamson said we could include language from annexation and pud agreements with the school district that talks about some public use of these school grounds. It may be useful to say there are documents controlling that so that people remember. Keirn asked if the Silverstone park is public. Shay said it is, although no one not living in the subdivision is likely to use it. Williamson said Hogue's comment about conflicting maps could be clarified. Land use map controls use designations, other maps don't control that. Grotto said even if use is residential, it doesn't mean we don't want parks there. Parks and greenspace are interspersed. Keirn liked the wording on natural state of watercourses and wetlands. He favored retaining that language. McBryant said it is a mistake to draft a document or draw a map with a future project in mind. These need to represent broad goals. Shay said we have continued to change the text and maps to reflect what might be. It's frustrating.

Burke moved to continue this matter to the May 9, 2005 city council meeting, with no further public hearing unless significant changes made to the document need to be debated. Davis seconded; the motion carried unanimously.

NB 135 BULLOTTI APPEAL

Keirn moved to continue the Bullotti appeal to May 9, 2005. Burke seconded; the motion carried unanimously.

PH 154 SNOW REMOVAL ORDINANCE

Hyde presented revisions to the snow removal and sidewalks sections of Municipal Code Section 12 subsequent to the city council's previous discussion. Mayor McBryant opened the public hearing; there was none. Davis said the ordinance looks good the way it is currently written. **Keirn moved to approve Ordinance 906, read by title only, and proceed with the first reading.** Davis seconded; the motion carried unanimously.

WORKSHOP

Council Reports –

Keirn said the transportation group will meet on Thursday. The E911 group is working on their preliminary budget, and will look at CAD equipment. Keirn had scheduled a meeting with Ketchum City Administrator Ron LeBlanc on his development impact fee ordinance.

Davis distributed an article on water conservation called *Will We Run Dry*, suggesting that the mayor may want to include some of this information in upcoming newsletters. Davis had attended the Blaine County P&Z meeting last week, and got a look at the county's housing section of its comprehensive plan. He was concerned that the housing section would take precedence over all other sections, including hillside ordinances. The county is making housing a high priority that could affect how Blaine County looks. Davis said he will be contacting the historical commission to set their first meeting.

Mayor Reports – McBryant said planning office has had citizens coming forward who are concerned about 11 residential housing units at the Woodside Elementary site. Lot 2 has been dedicated to the city for some municipal purpose. The neighbors want to know what that municipal use means to Hailey elected officials. McBryant said the community housing issue has become the door opener for anything. If developers bring that concept in, we like it. There are misunderstandings about community housing. She hadn't understood, during the school annexation negotiations, that the school planned on putting 8 units plus whatever the city is going to put there. We've got affordable housing units coming available now. The Blaine County/Ketchum Housing authority told us not one of our city employees are in the running for any of these units. We pay our employees too much to qualify for the housing. The formulas, created on whatever basis they are may provide housing for someone working outside of our city. If we get into the affordable housing business, we'll never get the money out of the land as the money we would have gotten in annexation fees. Providing housing, trade may never see the reality of that money. We could sell that land at a later time for general residential use and make some money. We need to determine what kind of density we want there. We haven't put our face on the property that's going to be ours. We haven't established what kind of ingress and egress will be created. A lease option may be better than a purchase option. We need to codify whether affordable housing is one of our goals. We may need to set our own qualifying criteria for housing. We need to be more involved if our own city employees have expressed interest, and potentially make adjustments for that. Grotto said Hailey's units at Woodside Elementary are not bound by Blaine/Ketchum Housing guidelines. She said housing units would be the best use for that property. Two small single family lots would fit there comfortably and would be most compatible with the surrounding neighborhood. Burke said some people she has been working with over the past couple of years have become single parents and qualify in terms of income, but not in terms of credit history. Shay said once we explained to the public that those units were only for school district or Hailey employees, neighbors warmed up to it. The problem is exasperated because the school district began its grading of the property, which is extensive.

Williamson said the city could leave the property zoned General Residential, and make decisions consistent with that zone later. Or it could limit uses with a plat note. Two units to be subdivided would need to be a public process. Davis preferred to be up front with what we have planned there. McBryant asked Williamson to spend some time on this, and address Idaho Code 50-1407.

There being no further business, the Mayor adjourned the meeting at 7:51 p.m.