

**MINUTES OF THE REGULAR MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, JANUARY 8, 2007
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, Don Keirn, Carol Brown and Martha Burke. Staff present included City Attorney Ned Williamson, City Administrator Jim Spinelli, and City Clerk Heather Dawson.

OPENING REMARKS

Mayor McBryant read excerpts from a letter sent by Bill Hughes, commenting upon various facets of city government.

PRESENTATIONS

Jason Miller of Wood River Ride Share described his organization as customer focused, goal oriented, and results driven. The van pool is a new program recently begun, and city employees have already utilized it, as well as other company employees such as Power Engineers, Atkinson's and Blaine County School District. Safe Routes to School is a national program taken on by Rideshare at the local level to increase safety and access. Federal money is available for infrastructure projects. Safe Routes to school grants are due at the end of this month. The mayor asked if Miller had a preference to one of the areas for Hailey funding. He said he would prefer equal distribution of funds across all three areas.

CHAMBER OF COMMERCE LOCAL OPTION TAX EXPENSES

Julie Ingram distributed information as to what the Chamber of Commerce has done with its Local Option Tax funds. Matching a grant and updating the Chamber's website have been targeted as key projects. Hiring more help is another goal. She expressed concern that Hailey may lose businesses which have expansion issues. Businesses are asking for local government to find incentives in areas such as transportation.

APPOINTMENTS

HEARING EXAMINER- Mayor McBryant nominated Kristin Anderson for appointment as one of Hailey's Hearing Examiners. Burke moved, and Keirn seconded, to approve the appointment. The motion carried unanimously.

HHPC – The initial appointments of Denise Jackson and Julie Evans had expired, and both were interested in being reappointed to a subsequent three year term. Their appointments would result in a commission of seven members. The mayor said that other appointments would be reviewed over the future, with a potential increase in the number of commissioners to ten. Brown moved, and Burke seconded to approve the three-year term appointments of Denise Jackson and Julie Evans. The motion carried unanimously.

PARKS AND LANDS BOARD – Mayor McBryant offered the name of Jill Swanger for appointment to the Hailey Parks and Lands Board. Davis moved to approve the appointment. Brown seconded; the motion carried unanimously.

ARTS COMMISSION – Mayor McBryant offered the name of Pat Robinson for appointment to the Hailey Arts Commission. Brown moved to approve the appointment. Keirn seconded; the motion carried unanimously.

DEVELOPMENT IMPACT FEE ADVISORY COMMITTEE MEMBER

Mayor McBryant offered the name of Daryl Fauth for appointment to the Development Impact Fee Advisory Committee. Davis moved to approve the appointment. Burke seconded; the motion carried unanimously.

CONSENT AGENDA

The mayor noted that a letter had been received from Latham Williams regarding taxi licenses, emissions controls and hybrid or hydrogen vehicles, and requesting that Hailey develop policies whereby taxi businesses are subject to these matters.

Keirn moved to approve the Consent Agenda with the omission of items 511-b, 513, 514, 516, and 517. Brown seconded; the motion carried unanimously.

- CA 511-a Motion to approve 6th Amendment to Joint Powers Agreement – Friedman Memorial Airport.....
- ~~CA 511 b Motion to approve Water Dept policy on water leaks and conservation enforcement~~
- CA 511-c Motion to accept bid of \$169,975 from Allianz Madvac Inc for Vacuum Street Sweeper
- CA 512 Motion to approve taxi business licenses for 2007 for Sun Valley Chauffer, Wood River Taxi, Hailey Taxi, and Airport Cab
- ~~CA 513 Motion to approve Special Events Permits for Valley Motor Club Car Show planned at Mc Kercher Park on August 11, 2007, with estimated 500 attendees~~
- ~~CA 514 Motion to approve Special Events Permits for Porter/Ros Wedding planned at Heagle Park on July 28, 2007 with estimated 150 attendees~~
- CA 515 Motion to approve minutes of December 11, 2006 and to suspend reading of them
- ~~CA 516 Motion to approve minutes of December 15, 2006 and to suspend reading of them~~
- CA 517 Motion to approve RSCI's Pay Request #9 for Water Storage Tank of \$127,938.40
- CA 518 Motion to approve claims for expenses incurred in December, 2006
- CA 519 Motion to approve Treasurer's Report for December, 2006

511-b Williamson expressed concern with some of the points of the water leak policy and asked that this matter be continued until he is able to work with staff. Burke

moved to continue this matter to the next meeting. Brown seconded; the motion carried unanimously.

513 and 514 - Special Events – Burke moved to continue these to the next meeting. Keirn seconded; the motion carried unanimously.

517 RSCI Pay Request – Williamsons said liquidated damages are intended to be collected by Hailey, which will reduce the payable amount. Keirn moved to authorize the payment minus liquidated damages. Brown seconded, the motion carried unanimously.

516 DEC 15 MINUTES - Burke said the minutes should show that she was not present. Brown moved to approve the minutes of December 15, 2006, as amended. Davis seconded; the motion carried unanimously.

PH 520 EHRENBURG ANNEXATION

Williamson said he had obtained from the developer Tony Ehrenberg a signed annexation agreement which provides for payment of fees, plat notes, quit claim deeds, and sidewalks. He said he is satisfied with this agreement, and advised that it be approved and the annexation ordinance be addressed at the next meeting. Grotto said the council should also make motion to approve annexation application with the findings that were listed in the staff report, and a motion on the zoning.

Mayor McBryant opened the public hearing. There were no comments. **Brown moved to approve the annexation application, finding that it is in conformance with the comprehensive plan, complies generally with Hailey ordinances, and creates no negative fiscal impact, and added the findings from the staff report with conditions a-h be applied.** Burke seconded; the motion carried unanimously.

Brown moved to zone the Eherenberg property as GR with Flood Hazard overlay, finding that zoning conforms with the Hailey Comprehensive Plan, does not create excessive requirements, and is in conformance with the general welfare of the public. Keirn seconded; the motion carried unanimously.

Brown moved to approve the annexation agreement as presented. Burke seconded; the motion carried unanimously.

PH 521 OLD CUTTERS SUBDIVISION

Grotto introduced the Old Cutters subdivision application, continued from December 11, 2006. She presented a memo from Becki Keefer, Parks and Lands Project Manager, and a letter from Lucky 13 Ranch, to be entered into the record during public hearings. The expansion of the water main line from Buttercup Road to the property had become an issue. The applicant is proposing this water main is a capital improvement, and wants deduction from the required annexation fees in exchange for developing the line. Easement are needed from Ed Dumke, and there is reputed to be an agreement in

principal, but not yet signed, for sewer main line extension. There is a question about ½ acre irrigation limitations on the proposed townhomes. The limitation, according to Jim Speck, is not placed by law on city wells, but on domestic wells. A conceptual plan has been drawn up by Alpine Enterprises for a reconfigured road on the north end. Mitchell's lot is 32,100 square feet, and if the road were reconfigured, that lot would be reduced to 16,000 square feet, a 48% reduction. City staff is concerned with safety, and feels the curves in the roads would slow traffic down more effectively than the new configuration. Williamson had not been successful in speaking to Mitchell's son-in-law. Hailey had received a letter from Lucky 13 Ranches, the owners of which are not in favor of the road configuration. The pathway along the high ditch form a series of trails created informally by the public. The Hailey Parks and Lands Board finds it is acceptable to reconfigure the pathway, but important to bring pedestrians back to a roadway. The board recommends an easement on the northern boundary of lots 1, 2 and 3, in which case the applicant could relocate the bridge to the northern end so pedestrians could cross over the high ditch. We will need pedestrian easements shown on the plat across lots 1, 2, and 3. Fencing should be required so neighbors don't absorb the easement into their yards. The 13 community housing units will be partially income restricted and partially worker-resident restricted. That deed restriction should be finalized by the city council prior to signing off on any findings of fact. The pond lining recommended by the applicant during the previous meeting appears to be superior to membrane lining. Hiawatha canal agreement has been signed by the canal company, but not yet by the applicant. The applicant has agreed to make the maintenance of the culverts in the road rights of way their responsibility, then the HOA. A plat note should be required advising buyers of the former agricultural use of the property.

Jim Speck said the only reason the Hiawatha ditch agreement isn't signed is the applicant doesn't have the original from the attorney for the Hiawatha ditch users. Jim Phillips, a Hiawatha ditch user, said although subject to final review by their legal advisor, the high ditch agreement looks acceptable. All the other items are agreeable as mentioned by Grotto. Changes that Jim Fackrell of the Blaine/Ketchum Housing Authority had made to alternative deed restrictions are acceptable and will be done in time for findings of fact to be signed off on. Speck said he had submitted a letter regarding Management Partners' study and Williamson has said the water main upgrade is not included in the numbers of the study. He said another \$100,000 will be needed now to adequately serve the development. The applicants had believed they have provided all the monetary contributions the city required at that time. They are willing to do the work, pay for it themselves, and be paid back at the time make first annexation payment is made within 60 days of recording the final plat. Speck said the applicant is not in favor of the reconfigured northern access. As regards the recreation trail on the west side of the canal, if equestrians are not allowed to go up the gulch, the need for access is lessened at the north end, from the Lucky 13 ranch.

The mayor asked if the city has a list of the people for whom Jim Phillips is speaking. Phillips said it is the users of the high ditch. He is entering into the agreement as a user; it is a third party beneficiary agreement.

Mayor McBryant opened the public hearing. Janet Fugate, the Hailey Parks and Lands Board chair agreed that the middle access bridge shouldn't be eliminated. Many people will be accessing from the south, and the trail does not end there. It is the board's agenda to create trails, not to close them down. She expressed concern that an entire block of residents would be blocked from efficient access to the trail.

Jim Fackrell said the community housing review letter that the Blaine/Ketchum Housing Authority had reviewed offered a different mix of deed restriction types than the latest version provided. McBryant asked if the whole board is involved in reviewing the document. Fackrell said they are. Williamson said the units fall in different ranges of price, and the current mix now has 6 units at about \$195,000 each. Fackrell didn't know if the board is comfortable with that change in unit mix, but said that the board could complete that review within a couple of weeks. John Flattery, another BKHA member, said the board does have a meeting scheduled for January 17th.

Mrs. Wells of 164 Hiawatha Drive, said the proposed northern right of way less than 30 feet from the north side of her home, and will result in hundreds of cars going by each day. Now there is added insult with the creation of a pedestrian walkway 50 feet outside her back door. She proposed a reconfigured northern access and no pathway along Buttercup homes.

Lia Johnson said that as neighbors they felt it would be wise to hire an attorney. When a development impacts existing neighbors, solutions to reduce them should be thoroughly addressed. She had hoped the city would develop ideas to help implement the plan recommended by the Blaine County Commissioners. She introduced Jim Laski as the attorney she and the Wells had retained in this matter.

Jim Laski said exploration of this could be feasible from all parts. The points are written in a manner that showed the developer didn't try to work this out. Wells would agree to not get additional property from this, which would get the Mitchells lot size closer to 21,000 square feet. There are other opportunities to make up for the lost lot size, such as connecting Mitchell to city sewer. There is no proposal by the applicant to move the road north whatsoever. The Johnsons are not trying to increase the size of their property. A method could be configured by which to allow traffic to move without taking the entire space, or revise Lot 4 Block 4. The Planning and Zoning preliminary plat approval is not a strong reason not to amend the preliminary plat further, otherwise the council's role is meaningless. Who would pay for the replat of Buttercup; the county is already amenable to this process and it won't be as expensive or onerous as intimated. The current road configuration ties into county roads that don't meet county standards. Hailey is relying on a traffic study that makes assumptions that traffic will increase at 3% per year, but he said a 6% increase is more likely per school district estimates of growth. It doesn't make sense that motorists would avoid Highway 75. He hoped that the city council could recommend more work be done on this.

Geoffrey Moore of 1250 Woodside Boulevard said the water system is a cooperative of city residents that build a district to supply our needs, not someone coming to us to tell us

we need to supply their needs. If the developer doesn't pay for the water main improvements, all the residents of Hailey will through their monthly payments.

Christine Rolf of 581 Motherlode Loop, expressed concern about the sewer easement to Dumke's property. Her property forms a corner between Cutters southeastern property and Dumke's property. McBryant said the easement would create a connection for sewer. Hellen described the location of the sewer line to that easement as following El Dorado Lane.

Jim Speck then addressed comments made by the public. The applicant is willing to relocate to the north if found feasible. John Campbell said even if the road isn't moved to the north, he will place the road as far as possible to the north within the planned easement. Cutters doesn't have permission to build the road across Lucky 13 property. He said the applicant is being asked to delay our process, with a missing ingredient: comment from the Mitchells.

Speck said if the applicant has to provide some kind of trail access, they should be able to use BLM land, and he would continue to work with Board to arrive at best solution.

Jim Laski said the Johnson's garage is at the southernmost part of their house.

Deon Wells, said it is not the city's road, so whatever requirements the county has would stand. Since the Mitchell lot is in the county, and not part of the annexation, the city council should propose to Blaine County the possibility of condemning the Mitchell lot. Cutters subdivision will create hundreds of traffic trips per day. The council should explore the possibility of acquiring the Mitchell lot by condemnation.

Williamson said Management Paratners had recommended a 2 million dollar annexation fee for Cutters, based on their study. Councilman Keirn had said that is a starting point, and he raised the stakes to 3 million. In the end we arrived at a figure of 3.7 million because of changes in water rights donations. An annexation fee is the price of admission, and is not related to any particular buy-in. The study did look at future capital improvements, but the litany did not include an upgrade to that line at Buttercup. It's clear in the agreement, and it's clear that we can not contract away our police powers, we can't ignore our subdivision ordinances. Hailey Subdivision Ordinance Section 4.6.3 states that no subdivision shall be approved which effects the ability to deliver services or put additional costs on current residents, and that includes other offsite improvements. In several staff reports it was clear there was a potential need to upgrade that line, that was known before we entered into the annexation agreement. The council does not have to follow the suggestion of the developer, but could if it wants to. The council has full authority under the subdivision ordinance and the annexation agreement that we signed.

Keirn said in Speck's letter, on page 139, it is stated that the city will provide essential government and utility service to the property. Mayor McBryant said that doesn't mean infrastructure, it is the service. Williamson said if additional costs for the subdivision infrastructure are not imposed on the developer, they will be imposed upon the citizens of

Hailey. The annexation agreement doesn't require us to impose those costs on existing residents. Mayor asked if the city can in fact irrigate more than ½ acre of residential property. Williamson did concur with Speck on that, and said the city can.

Mayor expressed willingness to have a dialogue with the county, but said initiating that dialogue is incumbent upon a county resident. Brown was willing to entertain some more delay to explore this forward. Burke added that delay is imminent anyway because of housing authority's review.

Brown said the pond liner needs to be maintained over time.

Mayor said the next meeting is set for January 30th, and we could move closer to solution of these items with a continuation to that date. Some decisions need to be made tonight, relative to the 12 inch water line, and whether the presentation on the north access should be accepted as presented tonight, or if there should be more work.

Brown said according to the subdivision ordinance, the applicant is required to pay additional costs related to their subdivision, and she moved that the developer be required to upgrade the line at their own cost. Burke seconded. The mayor asked what the distance is of the water main upgrade. Hellen said the estimate is from \$70,000 to \$100,000. Bruce Smith said the line is 1200 feet. Davis said he would hope in the future that the fiscal reports that we get are more conclusive. It needs to be clear that it is fair to all concerned. The motion carried with Davis opposed.

Brown moved to have remainder of the items continued to January 30th, with documents to be received by close of business on January 23. Keirn seconded; the motion carried unanimously.

PH 522 DEL NORTE CONDOMINIUMS

Walt Femling introduced several variations of the community housing configurations that emerged during the planning of this condominiumization. Staff wants carports in front of each unit, so the costs have been driven up, which makes a larger number of community housing units more difficult. Diane Shay, City Planner, said staff believed that the commission erred in allowing all community housing units in one building, and this does not meet the intent of that standard, which requires even disbursement throughout the subdivision. Grotto did not want to wait until the short plat final plat for the council to have reviewed the community housing plan. This discussion is about the community housing plan.

Mayor opened the public hearing. Geoffrey Moore said it doesn't make sense to put all four units in one building.

Jim Fackrell said the housing authority is in a quandry over this development. They are reluctant to come back and ask for non-clustering as it will change the price of the units.

Shay said she had received a letter from Fern and Fred Jones, opposed to the project, and a letter from Fred and Jeannie Bradshaw in support. There was no further public comment.

McBryant said the basis for the 20% community housing requirement is that it creates a good socio-economic ratio. Just because the developer is willing to give more units, does not mean we should require more. Brown couldn't get past the fact that the units, per standard, must be dispersed among the development. She hated the thought of losing that fourth unit. Burke said it is a tiny project all together, and the mix already exists relative to the surrounding neighborhood. Keirn said we will get more and more of these remodels of existing housing. These projects upgrade the city. We may need to upgrade the ordinance. Mayor said accepting something that isn't as attractive to us when it doesn't meet the standard will be problematic.

Brown moved to conditionally approve the community housing plan subject to conditions a-c, that the units not located within one building and that there be addition of carports. Burke seconded. Grotto said condition a. is that an agreement will be executed for a community housing plan. The council indicated they did not need to see the revised community housing plan prior to adopting final plat. The motion carried unanimously.

OB 523 Burke moved to approve the **3rd Reading of Ordinance 980**, amending the Hailey Zoning Ordinance, Article VA, Future Acquisition Map, to clarify procedure. Brown seconded; the motion carried unanimously.

OTHER OLD BUSINESS – Williamson said that Harry Rinker has requested that we get an amendment of the Peregrine Agreement, proposing far fewer units than originally contemplated. An agreement presently stands that he has the right to hook into the system, and would pay Hailey \$4 million in consideration, some in cash and some in property that was formerly owned by Castle. Rinker has obtained an appraisal of that property. Hailey could say the agreement stands, as the \$4 million is to hook up, even if at lesser density. He may then wish to do a package treatment plant. The hookup is strictly for sewer services, and the land is worth more than \$1.35 million. The last option we are investigating is not only a sewer hookup but a water hookup. He would be looking at providing Hailey with water rights. Mayor asked if this will be an agenda new business item at the next meeting. Williamson said it may be. Mayor asked if all should sit in on the amendment to the agreement now that it has been found by the courts as legal.

NB 524 COUNTY REQUESTS WAIVER OF FEES

The Mayor introduced the county's request for waiver of Hailey fees which may apply to the jail facility, saying the request is premature because the jail bond hasn't yet been passed by voters. Burke said she talked today with Bowman, who said the county waived fees for the water tower building permit and P&Z review for the ice rink, and the hearing examiner process fees were waived. The county would like, in turn, Hailey to waive the building permit and design review fees for the jail facility. Hellen said a CUP application

fee was waived, we paid mailing expenses. We paid \$22,000 for the storage tank building permit. Brown said if there is something we can break out from our costs, she would be willing to look at it. Davis said if we waive fees, then our taxpayers have to pay double. Dawson noted that the fees are cost-based to cover to cost of plan analyses and review.

Burke moved that Hailey's fee policy is defined such that that we don't waive fees for special interest groups or other governmental jurisdictions, because they are cost-based fees. Brown seconded; the motion carried unanimously.

STAFF REPORTS

Spinelli gave a brief report on Local Option Tax revenues and expenses to date. Mayor said she wanted the council to begin thinking about what may be allocated differently. The council then discussed the new Frontier direct flight from Denver. Mayor said BACTAG wants a representative from Hailey. Keirn suggested that they may only run high season. Mayor said Chamber should send a representative rather than the city.

Mayor asked if anyone wants to make a contribution to CEL. She felt it was outside of our scope. She indicated too that she has been receiving letters in support of Wood River Rideshare programs. She has directed staff to prepare 2 ordinances, one where local option taxes could be used for sidewalk clearing and the second prohibiting snowmobile use within the city. She informed the council that she has a conflict on January 30th with a benefit for Dani Stern, the daughter of Laura Hall. The council wanted to begin the meeting at 5:30 p.m.

Davis said the historic preservation commission is working on a recommendation for an increase to 10 commissioners. **Burke moved, and Kerin seconded approval of Resolution 2007-01, setting forth seven appointments to the Hailey Historic Preservation Commission.** The motion carried unanimously.

Burke said she is meeting for airport relocation EIS. Brown said she will be attending an Arts Commission all day meeting, then a PEAK KART board meeting. She tasked Jason Miller with coming up with some ideas as to who could represent Hailey.

McBryant said Sawtooth Rangers have requested a one year extension of their lease. City staff have been tasked with looking at the site for city facilities.

Mayor McBryant turned the council's attention to documents in the back of the packet, which she had placed there because she wanted council to be aware of their completion.

There being no further business, she adjourned the meeting at 9:00 p.m.

Susan McBryant, Mayor

Heather Dawson, City Clerk