

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, MARCH 09, 2009
IN THE HAILEY TOWN CENTER MEETING ROOM**

The meeting of the Hailey City Council was called to order at 5:30 P.M. by Council President Martha Burke. Present were Council members Don Keirn, Carol Brown, and Fritz Haemmerle. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson and City Clerk Mary Cone.

The following items were given to council prior to the meeting:

Email to John Campbell from Dave Ferguson

Comments on Old Cutters from Dana Hofstetter

Old Cutters documents - memo, gift letter, Second Amendment to Annexation Agreement,

Letter received from Jim Speck to Ned Williamson on Old Cutters Deeds to Parcel A and B and Deed of Easement.

AIRPORT ISSUES:

Susan McBryant gave an update to council. Donna Taylor the Northwest region supervisor was in town last week to tour all of the potential EIS airport sites. They are actively pursuing alternative landing opportunities.

Brown asked McBryant about a recent newspaper article about the airport where the north valley is not in support of the airport relocation and does not believe it is necessary. According to a recent newspaper article, Charles Conn indicated that the north valley has not been informed as to the justification of a relocated airport. Brown is surprised that Conn is not aware because of the many public meetings that have taken place to date. Haemmerle mentioned the reality of keeping the airport here, means displacing 85 homes to acquire the necessary space required to be compliant with the FAA – not to mention the relocation of State Highway 75. Burke thinks it may be the case where the north valley has not heard what they'd like to hear. Burke added that safety and reliability are driving us towards a new airport location. Burke ended by stating that the FAA will continue to take public comments through this process.

Williamson asked that NB 119 should be heard prior to the Public Hearing items on tonight's agenda.

CONSENT AGENDA:

- CA 107 Motion to authorize review of proposed Request for Qualifications for an Architect to assist in drafting a Master Plan for the Rodeo Grounds1
- CA 108 Motion to approve amended COBRA Administrative Agreement with A.W. Rehn and Associates and authorize the Council President to sign (previously approved on 2/23/09)5

CA 109	Motion to approve Delta Dental renewal for 21 months with a 15% increase – period from April 1, 2009 through December 31, 2010.....	9
CA 110	Motion to approve and authorize the Council President to sign Arbor Day Grant application.....	13
CA 111	Motion to authorize Hailey Public Library to utilize a collections company for late fees and items.....	17
CA 112	Motion to approve and authorize Council President to sign Memorandum of Agreement with the Idaho State Historical Society for FY 08/09 CLG grant	19
CA 113	Motion to approve City Council meeting minutes of February 23, 2009 and February 26, 2009 and to suspend reading of them	35
CA 114	Motion to approve claims for expenses incurred during the month of February 2009 including dispatch payment for having received no decline in service for the prior month	51
CA 115	Motion to approve treasurer’s cash report, including LOT report.....	69

Motion made by Brown to approve all the Consent Agenda items, seconded by Keirn, motion passed unanimously.

PROCLAMATIONS & PRESENTATIONS:

PP 116 Proclaim May 1, 2009 as Arbor Day in Hailey

Burke read the Arbor Day Proclamation.

EXECUTIVE SESSION: Real Property Acquisition (IC 67-2345.c) and/or Pending & Imminently Likely Litigation (IC 67-2345.f/j)

Motion made by Haemmerle to go into Executive Session at 5:53 pm for Real Property Acquisition (IC 67-2345.c) and/or Pending & Imminently Likely Litigation (IC 67-2345.f/j), seconded by Keirn motion passed by roll call vote. Haemmerle, yes. Keirn, yes. Brown, yes.

Council returned from Executive Session at 6:08 p.m.

NEW BUSINESS:

NB 119 Discussion of Second Amendment to Old Cutters Annexation Agreement and gift letter

Burke handed over the floor to Williamson to give a summary. Williamson gave an overview of the original Annexation Agreement. In October 2008, City of Hailey was contacted by Jim Speck, attorney for Old Cutters LLC to ask for relief with regards to the Annexation payments, the second of these payments was due in November, 2008. Two objections were filed, one by Big Wood Canal Company and the other by Indian Creek Ranch Owners Association (ICROA). The letter received today from Dana Hofstetter on behalf of ICROA asks council to continue this hearing to give additional time for discussions. Williamson offered that it would be useful and prudent of Hailey to apply it at another date and time. The water rights in question (for 31 acres) suggest that the valuation be \$930,000.

Williamson proposed that the city collect \$50,000 per property sale and to have these payments applied to the next Annexation payment due in November 29, 2011. This plan allows the developer

to pay the annexation fees over time. Williamson stated that the remaining annexation payments would be due November 29, 2013 and November 29, 2014.

Williamson added that we are not giving up any Development Impact Fees as requested by Campbell in the past. Williamson reviewed the various documents in council's packet, recent additions tonight are the Second Amendment to Annexation Agreement, memo from Williamson, gift letter from Mayor and council to John Campbell.

Haemmerle added that he believes that this will benefit Hailey and he is in full support of the documents being reviewed tonight. The City is buying the water rights for \$930,000 and other sources would like to pay up to \$50,000 per acre for these same rights, the City is getting a good deal. Haemmerle urged his fellow council members to consider these proposals. Haemmerle also proposes reducing the required Community Housing units to 1 per 2 Certificate of Occupancies issued, not 1 per 5 in that Campbell is willing to build these additional Community Housing units within the next year or so.

Keirn is supportive of this proposal, water rights are very important.

Jim Speck on behalf of Old Cutters LLC spoke to council. Speck had a list of items to review with the council but Williamson and Haemmerle have covered all the points. Speck thanked Williamson, Haemmerle and the City for negotiating with his client.

John Campbell added that they met numerous times with Williamson and Haemmerle and thanked them both for all their time and openness to negotiating an agreeable solution for him.

Williamson, the grant deed will be executed to Hailey at the same time as the Second Annexation Amendment.

Motion made by Haemmerle to adopt the Second Amendment to Annexation, Services and Development Agreement subject to the change that the Annexation will be executed simultaneously with the Deed for the water rights and that the typo will be corrected under 8 of Water Rights ½ (Brown's request) and authorize the council president to sign, seconded by Keirn, motion passed unanimously.

Motion made by Haemmerle to authorize council to sign the gift letter of Parcel B (open space) dated March 9th, 2009 and acknowledge a credit under the Development Impact Fee Ordinance for the conveyance of the park and improvements known as Parcel A, seconded by Brown, motion passed unanimously.

Haemmerle suggests that Williamson draft a letter to the ICROA to let them know where the City stands on issues raised regarding water rights since we have not yet responded to any comments made by them to date. Williamson agreed to draft a letter to ICROA.

Brown also asked for a press release to be drafted and to the press tomorrow at 10:00 am. Williamson affirmed, he would do so.

PUBLIC HEARINGS:

PH 117 An application by Old Cutters, LLC for final plat approval of Rimrock Cottages, Old Cutters Subdivision (940 Myrtle Street East), a 7 unit townhouse subdivision (continued from 2/23/09)

Mariel Platt, Hailey Planner gave a summary of the Final Plat of Phase I to council. Platt indicated that Phase II is reserved for a 2 sub lot duplex. Most of the suggested conditions are strait forward except the requests made by Kathy Grotto on behalf of the Blaine County Housing Authority (BCHA). Grotto asks for additional conditions for the final plat approval; one condition is that the Community Housing Deed Covenant be recorded prior to the recording of Phase I with the plat note be added referencing those instrument numbers and second that the Community Housing Plan be amended to reflect the actual sizes of the Workforce Market Units and specify which sub lots have Deed restrictions and of what type in that Community Housing Plan which is an Exhibit to the Community Housing Agreement. Burke clarified, we are adding J and K to the list of conditions. Williamson agreed.

Jim Speck attorney spoke on behalf of Old Cutters LLC with regards to the deed retriCTION. Speck indicated there is no legal way to record the deed restriction before the final plat is recorded. Speck proposes that the deed restrictions become effective when and only if the land transfers from Old Cutters ownership to subsequent buyers. And secondly, Speck does not feel that the lots should be indicated on the plat as community housing.

Platt made another point regarding the community housing units. If there is no plat note then there is no way to know which sub lots are deed restricted. Platt suggested bullet 2 under condition A, a plat note shall be added which states that the property is subject to the amended Community Housing Agreement with the recorded instrument number. Redo the conditions correcting the two I's. Condition L would read to record the Community Housing Deed concurrently with Final Plat Phase I which would become effective upon sale of qualified buyer. Add conditions J & K summarized by Brown.

Motion made by Brown to approve final plat of Rimrock Cottages, Old Cutters Subdivision Phase I with conditions A-K amending condition A bullet 2 to read, a plat note shall be added which states that the property is subject to the amended Community Housing Agreement with the recorded instrument number. Redo the conditions correcting the two H's and two I's, one H would become I and then the next two conditions would become J and K. Adding condition L which would read to record the Community Housing Deed concurrently with Final Plat Phase I which would become effective upon sale to a qualified buyer. And adding condition M amend the Community Housing Plan to add specifics including actual designated lots and actual house sizes, seconded by Keirn; Haemmerle asked to include the terms of the deeds at the end of condition M, Brown added to her motion; motion passed unanimously.

PH 118 Old Cutters, LLC Rimrock Cottages Phasing Agreement (continued from 2/23/09)

Platt gave an overview of the Phasing Agreement. The applicant and the city need to come to an agreement with a date for the development of Phase II. Williamson clarified that the applicant wants more time to develop the next phase, one duplex. Williamson feels 10 years is a bit too long to extend but this decision is up to council.

Jim Speck on behalf of the applicant spoke to council. The deadline in this agreement is now no longer realistic; the applicant asks for another month until June 1st 2009 to obtain all of the Certificate of Occupancies (7 of them). Phase II is a market rate duplex which Campbell does not plan to develop but intends to sell and have another entity develop the duplex. Speck feels that 10 years is not realistic given the market conditions now. In paragraph 3, they will plant drought resistance grasses and provide irrigation to them, Speck indicates they will irrigate enough to get the grasses to grow and keep weeds out of the property until such time as the property is sold. They would prefer to water for only 1 year, and not 2 years.

Brown feels that 10 years is too long, 3 years feels better. Haemmerle suggests 3 years, until June 1, 2012. Say for example that the applicant submits an application on Phase II by June 1, 2012; they would have 4 years from that point to start the construction.

Haemmerle adds that the seeds must be established, which may take longer than 1 – 2 years.

Motion made by Brown to approve the Old Cutters Phasing Agreement making three changes. The first item 2 Phase I shall be completed by June 1st 2009 with issuance of all 7 Certificate of Occupancies by this point; paragraph 3, the application for subdivision of Phase II property shall received by the City on or before June 1st 2012 and paragraph 4, Securities, 2nd Sentence to read landscaping shall include sufficient irrigation for the grasses to become established and subject to approval by City staff, seconded by Keirn, motion passed unanimously.

Speck spoke to the council regarding Community Housing Units in Old Cutters. The agreement calls for 1 Community Housing Unit per 5 market houses. Speck proposes 1 Community Housing units per 2 Certificate of Occupancies issued. Speck sent a letter to Williamson stating that he believes Hailey's Ordinance is similar to McCall's ordinance which was overturned in court. Speck urges council to consider his points.

Brown wants to see something in writing before making a decision. Keirn and Haemmerle are in agreement with Brown. Haemmerle likes this idea of Speck's with putting money into the community sooner and feels this is very important.

Williamson states that this would require a subdivision Ordinance amendment in addition to a change to the community housing agreement. Williamson does not recommend that council change or repeal the Community Housing Ordinance. Haemmerle would like to hear this discussion.

John Campbell applicant asks council to make a decision fairly soon as he is getting requests for employment for this summer. Haemmerle added that citizens or the applicant can suggest a text amendment. Campbell added that the Community Housing Units in Rimrock are built to LEED and Energy Star standards.

Speck once again spoke to council. Speck asked council about Development Impact Fees on Community Housing Units. Speck reviewed the fees on the existing units in Rimrock cottages, approximately \$45,000. BCHA fee is 3%; with this and the Development Impact Fees, the developer is not seeing a profit. Speck asked that council consider a waiver of these fees. Speck understands that council cannot make a decision tonight but wanted to hear their thoughts.

Dawson added procedurally that before any changes can happen, this must go in front of the Development Committee, CIP must be updated and then it can go to Planning and Zoning.

Burke thanked Speck and Campbell with their thoughts and hope that they understand the challenges with this request. Burke stated that they should have this conversation again when the Mayor returns.

WORKSHOP:

Dawson gave council an overview of the Quigley citizen survey results which council will discuss on April 28th as well as the Fiscal Impact Study. The City Staff has been discussing the survey in terms in improving services where possible without increasing employees. At the March 23rd meeting Dawson will hand out to Mayor and council a packet with materials in preparation of the City goal setting meeting on March 30, 2009. Dawson handed out to council information on efforts of the City to get money from Federal grants. The project that is most “ready” is the Fire Station grant ended Dawson.

Police Chief Gunter attended a users group meeting for Dispatch. All entities have opted in except two and that is because they have not met yet. Gunter is hopeful that these two will opt in soon.

Brown attended the Tree Committee meeting. This newly formed group is very excited to discuss goals and have formed a mission statement. Jennifer Smith is working on a grant to get an arborist for Hailey and Bellevue.

Tom Hellen handed out to Mayor and council before the meeting a Memo outlining Federal Stimulus Funding opportunities with the Public Works, Street and Parks departments.

Keirn went to the Fly Sun Valley Alliance this morning. Horizon Airlines will drop their direct flight from Sun Valley to Los Angeles this summer. The Alliance will talk to Skywest very soon to find out if they can get their CRJ700 aircraft into Friedman Memorial Airport.

Haemmerle attended the Blue Ribbon Committee meeting. Burke is doing a great job representing Hailey. Haemmerle is confused that some members of this committee are still not convinced that the airport needs to be relocated. Haemmerle would like to see another campaign for education on this relocation. Hopefully the north valley will continue to keep safety in mind – not only economic factors.

Williamson asked for council to make a motion to go into Executive Session another time for Real Property Acquisition.

EXECUTIVE SESSION: Real Property Acquisition (IC 67-2345.c) and/or Pending & Imminently Likely Litigation (IC 67-2345.f/j)

Motion made by Haemmerle to go into Executive Session at 7:53 pm for Real Property Acquisition (IC 67-2345.c), seconded by Keirn motion passed by roll call vote. Haemmerle, yes. Keirn, yes. Brown, yes.

Council President Martha Burke adjourned the meeting at 8:20 pm.

Martha Burke, Council President

Mary Cone, City Clerk