

**MINUTES OF THE SPECIAL MEETING  
OF HAILEY CITY COUNCIL  
Hailey Town Center Meeting Room  
Monday, April 4, 2011**

**Present:** Carol Brown, Don Keirn, Rick Davis, Fritz Haemmerle, Martha Burke  
**Staff Present:** Ned Williamson, Heather Dawson, Beth Robrahn

**5:00 p.m. CALL TO ORDER:**

[5:02:30 PM](#) Mayor Davis called the meeting to order.

**Open Session for Public Concerns:**

[5:03:23 PM](#) Geoff and Cindy Moore, 1250 Woodside Blvd., respectfully requested the Council open to public comment the New Business item on this meeting's agenda.

**MAYOR'S REMARKS:**

None

**CONSENT AGENDA:**

CA 139 Motion to approve claims for expenses incurred during the month of March, 2011, and claims for expenses due by contract in April, 2011 .....1

**Fritz Haemmerle moved to approve the Consent Agenda. Don Keirn seconded and the motion passed unanimously. [5:03:09 PM](#)**

**PUBLIC HEARINGS:**

*PH 140 Consideration of Amendment (Third Amendment) to Cutter's Annexation Agreement*

[5:04:56 PM](#) Ned Williamson gave a brief overview of the history of this project, and

[5:08:46 PM](#) explained the payments to be proposed at this meeting.

[5:10:59 PM](#) Ed Lawson, Lower Broadford Road, Blaine County, represented Old Cutters and John Campbell. Mr. Lawson delivered a Power Point presentation summarizing his client's position in asking the City for this consideration. In essence, the presentation addressed the current economic pressures, data on moneys already paid by Old Cutters to the City, proposed benefits to the City should the modifications be accepted, and possible removal of the community housing obligations for this project. [5:30:43 PM](#)

[5:31:00 PM](#) John Campbell, owner/developer of Old Cutters, asked the public to recognize that Old Cutters was presenting a plan for "mutual success" in moving forward.

[5:32:35 PM](#) His position was that if the City declined this proposal, the property would return to the lending bank and, therefore, not benefit the City. If the City accepted this proposal, Mr. Campbell felt local jobs would be maintained, sales would be more likely

to occur, the sense of neighborhood would be maintained, and the City would take ownership of lots in the development. [5:34:37 PM](#)

[5:34:43 PM](#) Ned Williamson commented on amendment history with Old Cutters since February, 2011; the lending structure of this deal; due diligence and research. [5:35:55 PM](#) He expressed frustration with not being allowed access to complete details of the banking agreement.

[5:37:07 PM](#) Council discussion included the litigation prospects and whether another amendment would substantially change the availability of local jobs and home ownership.

[5:42:50 PM](#) Mayor Davis opened the meeting to public comment, which included:

[5:43:19 PM](#) Andy Harding, 460 Mother Lode Loop.

[5:44:11 PM](#) Keith Sivertson, 640 Bonanza Lane

[5:45:36 PM](#) Richard Goulay, Blaine County.

[5:47:50 PM](#) Russ Sample, 1540 Heroic Road.

[5:48:42 PM](#) Jason Roth, Indian Creek.

[5:49:40 PM](#) Bruce Smith, Ketchum resident and owner of Old Cutters lot.

[5:50:49 PM](#) Neil Clark, 110 Black Bear Road.

[5:52:34 PM](#) Chase Goulay, Bellevue resident and has worked on Old Cutters project.

[5:53:15 PM](#) Erin Buell, 540 Doc Hickory.

[5:54:30 PM](#) Jolyon Sawrey, 30 Wyatt Drive, Bellevue.

[5:56:52 PM](#) Steve Johnston 540 Little Lane resident of Old Cutters.

[5:58:12 PM](#) Andy Harding, 460 Mother Lode Loop, with second comment.

[5:59:38 PM](#) Kelly Malone, 1010 Cutters Drive.

[6:00:28 PM](#) Bruce Malone, Deerfield.

[6:00:39 PM](#) Todd Conklin, Warm Springs resident and marketer of Old Cutters properties.

[6:03:01 PM](#) Kathy Grotto, Blaine County Housing Authority, spoke on need for community housing.

[6:05:41 PM](#) Peter Lobb, 403 E. Carbonate.

[6:07:54 PM](#) Mary Williams, Ketchum resident and Heatherlands property owner.

[6:09:04 PM](#) Richard Goulay, Blaine County, with second comment.

[6:09:31 PM](#) Todd Conklin, Warm Springs, with second comment.

[6:09:55 PM](#) **With no further comment offered, Mayor Davis returned the meeting to City Council.**

[6:10:03 PM](#) Ed Lawson offered further applicant opinion.

[6:14:02 PM](#) Fritz Haemmerle requested a guarantee that John Campbell would not win approval from the City and then walk away from the project. Mr. Campbell offered his word that he would not sell out of the project for next two to three years. [6:17:12 PM](#)

[6:17:19 PM](#) Heather Dawson put into public record letters and emails received by the City regarding this proposal. They included comment from: Kathryn Welch, Kim Howard, Suzanne Buchannan, and Phillip R. Erlanger in support. Bob MacLeod wrote in opposed.

[6:18:23 PM](#) Martha Burke expressed displeasure with the language used in the applicant's presentation, and noted her concern that future costs associated with the development may fall to the taxpayers. She felt strongly about protecting taxpayers from that burden.

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[6:23:26 PM](#) Fritz Haemmerle called this the hardest decision he has had to make in his 3 ½ years on the Council. Declining to engage in debate about fees charged to the developer, he expressed hope in finding a local solution wherein all parties share any sacrifice.

[6:29:05 PM](#) Don Keirn requested more thorough study and notification to the public. He agreed with the need to find a workable solution, but expressed discontent with the current structure of the deal.

[6:31:57 PM](#) Carol Brown noted that she believed citizens were “not thrilled” with the original annexation, and request further public involvement. She emphatically pointed out that she thought any litigation threat be immediately dropped by the developer, and that both parties work to find a mutually workable solution in the current economy.

[6:36:11 PM](#) Council members declared ex parte discussions resulting from the short amount of time in which meetings and decisions must be made.

[6:38:34 PM](#) Rick Davis declared this his hardest decision in 20 years, and expressed his opinion that the Council had not yet discussed all options in the proposal.

[6:39:55 PM](#) Carol Brown expressed her desire to have Blaine County Housing Authority join in this discussion.

[6:40:26 PM](#) Martha Burke declined to “make this level of financial sacrifice for the taxpayers of Hailey” by being pushed into a decision at this meeting. She preferred to continue discussion.

[6:43:01 PM](#) Mayor Davis called for another public hearing to be scheduled for Monday, April 11, 2011. **Carol Brown moved to continue the matter to April 11, 2011. Don Keirn seconded.** Ed Lawson asked what further information would required by the Council before that hearing. Discussion involved actual dollar amounts, extensive public notification, and putting this matter at the top of the agenda for that meeting. **After a call for the question, continuance passed unanimously.**

[6:46:52 PM](#) Mayor Davis called for a brief recess to allow the crowd to clear if they so chose. [6:49:42 PM](#) Martha Burke excused herself due to a previous obligation.

#### **NEW BUSINESS:**

*NB 141 Change orders for Rodeo Grounds Project.*

[6:50:11 PM](#) Heather Dawson noted that the Council previously asked for earlier presentation of change orders, so she wanted to put these three before the Council now. She suggested that the Council take time to review them, and hold decisions until a special meeting on Thursday, April 7, 2011 at 4:30. [6:52:40 PM](#) Michael Bulls, Ruscitto Latham Blanton, clarified some of the language in the change orders, but expressed the importance of timing site work with weather and deadlines. Brief discussion followed regarding hopes that Hailey Ice will be able to cover their obligations to the project.

[6:56:44 PM](#) Mayor Davis opened the meeting to public comment.

Geoffrey and Cindy Moore, 1250 Woodside Blvd., expressed concern about fees and debts of Hailey Ice, and the promise made to citizens that no taxpayer dollars would ever pay for costs at the ice rink. They asked the City to consider review of Hailey Ice financial accounting.

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[6:59:18 PM](#) Ned Williamson said he would address this in a meeting with Hailey Ice the following morning.

[7:00:55 PM](#) Fritz Haemmerle questioned a rumor that the Hailey Ice donation had been pulled off the table. Haemmerle and Ned Williamson emphatically stated that the rumor was false in its entirety.

[7:02:04 PM](#) **Mayor Davis adjourned the meeting.**

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Rick Davis, Mayor

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Mary Cone, City Clerk