

**MINUTES OF THE
HAILEY CITY COUNCIL
Hailey Town Center Meeting Room
Monday, April 11, 2011**

Present: Carol Brown, Don Keirn, Rick Davis, Fritz Haemmerle, Martha Burke

Staff: Heather Dawson, Ned Williamson, Beth Robrahn, Jeff Gunter

5:30 p.m. CALL TO ORDER

[5:30:54 PM](#) Mayor Davis called the meeting to order.

Open Session for Public Concerns:

[5:31:21 PM](#) Cindy Moore, 1250 Woodside, asked that Mayor Davis recuse himself from discussion on the Old Cutter's Annexation and possible agreement amendments due to conflict of interest.

[5:32:03 PM](#) With no other concerns offered, Mayor Davis closed this portion of the meeting, and assured Ms. Moore that he would address her concern before the public hearing.

Airport Issues:

[5:32:14 PM](#) Susan McBryant reported on recent information regarding the scope of the relocation project and funding. The current economic downturn has affected the market value of the airport land and may move the 2016 target date to 2018 due to the funding mechanism.

PUBLIC HEARING:

PH 144 Consideration of Amendment (Third Amendment) to Cutter's Annexation Agreement (continued from April 4, 2011 special city council meeting).

[5:35:20 PM](#) After consultation with Ned Williamson and the rest of the Council, it was determined that Mr. Davis was not required to recuse himself from this discussion.

[5:38:22 PM](#) Mayor Davis turned to Ned Williamson for overview, clarification, and history of this matter. Council then discussed their thoughts and inquired of staff for more information regarding details of the agreement.

[6:13:26 PM](#) Erin Clark represented applicant, John Campbell, and explained obstacles and ideas for making the Old Cutters development project successful. Bank loans and annexation fees are the main obstacles in this financial environment, hence Old Cutters is asking the City to amend the annexation agreement, specifically to allow payment of the remaining obligation in property based on values noted in 2008. Old Cutters also requested that the community housing requirement be dropped.

[6:38:53 PM](#) Heather Dawson offered further explanation of how fee amounts were determined.

[6:46:22 PM](#) Erin Clark continued her presentation to Council stressing the reduction of land values and the impossibility of Old Cutters to adhere to the current form of the annexation agreement.

[6:55:17 PM](#) John Campbell explained his position with his lender, and the mechanics of land values and his amendment request. He emphasized the difficulties of the unforeseen economic downturn.

[7:15:56 PM](#) Staff then addressed further questions to Erin Clark and John Campbell.

[7:17:23 PM](#) Mayor Davis opened the meeting to public comment. Ned Williamson pointed out that the likelihood of litigation is high in this matter, and he asked if the Council would like to go into Executive Session to discuss this further. Council preferred to hear public comment first.

[7:18:08 PM](#) Kathy Grotto, Blaine County Housing Authority, disagreed with Mr. Campbell's contention that there is no current need for additional affordable housing units in the City. She encouraged the Council to stand by the existing annexation agreement and the requirement to supply affordable housing units in this development.

[7:21:35 PM](#) Russ Sample, 1540 Heroic, disagreed with the method of calculating perceived losses and profits or fees.

[7:29:14 PM](#) Jolyon Sawyer, Bellevue, believes strongly in community housing. He requested the City not negotiate on that point, but find a creative way to work with the developer on the other issues.

[7:30:56 PM](#) Charlene Malone, 641 Buckhorn Drive, encouraged a new perspective in solving this dilemma given the economic climate and her belief that Old Cutters is an asset to the City.

[7:32:05 PM](#) Todd Conklin, Belmont Street in Warm Springs, stressed the good intentions of Mr. Campbell. He strongly urged support of the amendment in light of the development value, intent and the economic climate.

[7:37:52 PM](#) Peter Lobb, 403 E. Carbonate, noted that both parties took a risk and lost. He disagreed with the City's taking the lots, but saw no other plausible option.

[7:39:41 PM](#) Cindy Moore, 1250 Woodside, believed that Mr. Campbell was not being truthful. She urged the Council to stand their ground and not negotiate with Mr. Campbell.

[7:41:39 PM](#) Erin Buell, 540 Doc's Hickory, spoke in support of Old Cutters and the good intentions of residents there and the developer.

[7:44:38 PM](#) Geoffrey Moore, 1250 Woodside Boulevard, reminded the Council that developments must pay for themselves and not become burdens to taxpayers. He reminded that accepting a deal with this developer could open the door for taxpayers asking for the City's forgiveness of tax owed. He was strongly opposed.

[7:47:42 PM](#) Jason Roth, Blaine County resident, spoke in support of the amended agreement. He noted the commitment of the developer and that he had interested buyers for lots in Old Cutters.

[7:50:36 PM](#) Kelly Malone, 1010 Cutters Drive, preferred a deal we understand versus a speculation of what future owners may do.

[7:51:37 PM](#) Jolyon Sawyer, suggested that Mr. Campbell agree not to sell his lots for the next three years.

[7:52:11 PM](#) Heather Dawson read into the record the following written correspondence:

Eltiena and Bill Campbell	In favor
Kelly Malone (2 letters)	In favor
Sonja Huntsman	In favor
Gerald Kavka	Opposed

Tim Graves	Opposed
Michelle Griffith	In favor
Jason Roth	In favor
Cindy Moore	Opposed
Sandra Schroeder	Opposed
Bruce Malone	In favor
Becki Keefer	Opposed
Bill Hughes (voice mail)	In favor
Andrew Harding	Opposed
Bruce Smith	In favor

[7:53:38 PM](#) Mayor Davis closed the public hearing portion of the meeting, and opened discussion with the Council. Martha Burke questioned whether the City could be perceived as a speculator in taking the lots in trade, whether financial needs in the future can be met with this amendment, whether the Council can make this decision without knowing the bank's discount to Mr. Campbell, and the validity of legal issues. She felt the City would not be receiving the monies it will need in the future to cover the infrastructure costs of Old Cutters.

[7:58:53 PM](#) Carol Brown noted the pressure of this decision, the dramatically changed economic conditions, the annexation ordinance standards regarding financial impact to the City in the future, the compressed amount of time allowed for this decision, and the applicant's lack of disclosure. She felt she could not decide in favor within these limitations.

[8:02:05 PM](#) Don Keirn commented that there may not be "enough out there" to guarantee future costs. He noted monies that the developer has already contributed to costs, the general positions of banks, and while he is not pleased with the state of this matter, he believed this amendment may be the best option.

[8:05:06 PM](#) Mayor Davis noted that he had to recuse himself from this matter three years ago due to conflict of interest.

[8:05:20 PM](#) Fritz Haemmerle noted his respect for the opinions offered and the difficulty of making this decision. He challenged Mr. Campbell's actions and position, but thought that Mr. Campbell's dogged tenacity might just make the deal work for everyone. Mr. Haemmerle noted he did not want to see "vulture developers" come in to Old Cutters, and that he would require that Mr. Campbell not sell his lots immediately.

[8:09:58 PM](#) Mr. Davis expressed his gratitude to everyone who appeared at this meeting, and to the Council for their careful deliberation under pressure. He noted that he did not want good money going after bad money.

[8:10:51 PM](#) Ned Williamson pointed out details in the current agreement that needed to be understood before any vote.

[8:12:05 PM](#) Erin Clark offered to be flexible on some of those details, including phased acquisition of the lots by the City. Fritz Haemmerle again stressed that the five-year prohibition on the City's right to sell lots was unacceptable. John Campbell expressed willingness to compromise on time length or "strike that if it is a deal breaker."

[8:14:22 PM](#) **Fritz Haemmerle moved to adopt the third amendment of the annexation and development agreement subject to a dedication of lots en masse subject to our discretion as to which lots to accept, absent Part G of the agreement dealing with five years. Don Keirn seconded. Mr. Haemmerle and Mr. Keirn voted**

in favor. Carol Brown and Martha Burke opposed. Mayor Davis noted the challenge of making this decision, and voted in favor.

[8:15:53 PM](#) Mr. Davis called a five-minute recess.

[8:20:44 PM](#) The meeting is called back to order.

OLD BUSINESS:

OB 145 3rd Reading of Hailey Ordinance 1081 setting the legal parameters of Hailey's Urban Renewal Agency.

[8:21:25 PM](#) **Fritz Haemmerle moved to approve the 3rd reading of Ordinance 1081 by title only and authorize the mayor to sign. Martha Burke seconded, and the motion passed unanimously. Mayor Davis then conducted the third reading.**

CONSENT AGENDA:

CA 146 Motion to approve Resolution 2011-10 setting Terms of Urban Renewal Agency Board Members, and naming Board Chair.

CA 147 Motion to approve payment to Building Material Thrift Store for reimbursement of demolition equipment purchased under the terms of the Hailey Community Climate Challenge – EPA Grant amount of \$22,500 .

CA 148 Motion to approve the letter of agreement with Brian Formusa for building commissioning services at the Interpretive Center, as part of the LEED Certification process being pursued under the Hailey Community Climate Challenge – EPA Grant.

CA 149 Motion to approve the letter of agreement with Ruscitto/Latham/Blanton Architectura, P.A. for architectural and engineering services for the Interpretive Center, as part of the LEED Certification process being pursued under the Hailey Community Climate Challenge – EPA Grant.

CA 150 Motion to authorize seasonal park use fee waiver request from Lars Hovey.

CA 151 Motion to approve alcohol license for Hailey business.

CA 152 Motion to approve minutes of the February 28, 2011 and to suspend reading of them.

CA 153 Motion to approve minutes of March 30, 2011 and to suspend reading of them.

[8:22:40 PM](#) **Don Keirn moved to approve the Consent Agenda. Martha Burke seconded and the motion passed unanimously.**

MAYOR'S REMARKS:

None.

PROCLAMATIONS & PRESENTATIONS:

PP 157 *Wood River High School Environmental Committee Proposal to eliminate plastic bag use in Hailey.*

[8:23:05 PM](#) Students representing the Wood River High School Environment Club presented their recommended ordinance prohibiting the use of plastic bags in the City.

[8:34:11 PM](#) Mayor Davis thanked the students for their presentation and allowed time for the room to clear.

[8:35:57 PM](#) The meeting is called back to order. Fritz Haemmerle asked the mayor to tell the students that the Council would like to put the matter into a public hearing.

PP 154 *National Library Week Proclaimed in Hailey as April 10-16, 2011.*

[8:39:52 PM](#) The proclamation is ready by Mayor Davis.

PP 155 *Proclamation of April as Fair Housing Month in Hailey.*

[8:41:35 PM](#) Mayor Davis read the proclamation.

PP 156 *Hailey Historic Preservation Commission's presentation of its historical signs for five National Register buildings.*

[8:36:41 PM](#) Rob Lonning and Rachael Wolfe of the Historic Preservation Commission presented new signs designating five buildings in Hailey as belonging to the Nation Register.

APPOINTMENTS & AWARDS

AA 158 *Hailey Arts Commission Appointment - John Valenzuela's Nomination considered.*

[8:42:43 PM](#) **Martha Burke moved to approve the appointment. Carol Brown seconded and the motion passed unanimously.**

PUBLIC HEARING:

PH 159 *Ordinance Amending Municipal Code Chapter 12.14 – Special Events.*

[8:43:40 PM](#) Beth Robrahn provided overview of suggested changes including definitions, size of events, impact to surrounding areas, number of events per applicant per year. New items added to the Ordinance include a purpose statement, events involving street closures, large events, and exemptions for events on private property, government events, sports events on school property, application deadlines, and consecutive annual events. Heather Dawson added details, including park use waiver information. Janet Fugate, of the Parks and Lands Board, provided the board's perspective on park use fees.

[8:59:47 PM](#) The meeting opened to public comment. Jim Laski, noted he agreed with Mr. Haemmerle's opinion that waivers should not be allowed unless they are provided for in an Ordinance. Janet Fugate noted that some waivers have been given when it benefited the City. Council noted that they could agree with a "Good Guy Waiver" for works in lieu of use fees, but that they want to see it written into the Ordinance.

[9:01:43 PM](#) Mayor Davis closed the public comment section of the meeting.

Carol Brown expressed appreciation for this Ordinance.

[9:02:38 PM](#) **Fritz Haemmerle moved to approve Ordinance 1082, and to allow the mayor to read by title only. Don Keirn seconded and the motion passed unanimously. The Mayor conducted the reading.**

PH 160 An application by Sweetwater LLC for final plat of Sweetwater PUD Townhouses, Block 4, Sublots 46-53 and Sublots 36-45 & 54-57. The preliminary plat was approved November 10, 2010. (Continued from March 28, 2011).

[9:03:21 PM](#) Mayor Davis opened the meeting to the public. Jim Laski explained the plat map for Sweetwater. [9:06:12 PM](#) The public offered no additional comment, so the meeting was brought back to the Council.

[9:06:18 PM](#) **Don Keirn moved to approve the final plat of Sweetwater PUD Townhouses, Block 4, Sublots 46-53, finding that the applicable subdivision standards have been met upon compliance of the conditions to approve. Fritz Haemmerle seconded, and the motion passed unanimously.**

[9:06:58 PM](#) **Don Keirn moved to approve the final plat of Sweetwater PUD Townhouses, Block 4, Sublots 36-45 & 54-57, finding that the applicable subdivision standards have been met upon compliance of the conditions to approve. Fritz Haemmerle seconded. Motion carried unanimously.**

PH 161 Consideration of Blaine Manor Development Agreement as considered and amended by Blaine County Board of Commissioners after submittal of draft to them on February 17, 2011 by Hailey City Attorney.

[9:07:45 PM](#) Ned Williamson provided overview, and noted that the County has already approved.

[9:08:36 PM](#) Mayor Davis opened the meeting to public comment. None was offered.

[9:08:29 PM](#) **Fritz Haemmerle moved to approve. Martha Burke seconded and the motion passed unanimously.**

[9:09:05 PM](#) Mayor Davis noted that the next two items should be moved to the April 22, 2011 meeting. **Fritz Haemmerle so moved. Martha Burke seconded, and the motion carried.**

PH 162 City initiated text amendment to Article 8.2, Signs, of Hailey Zoning Ordinance No. 532 to address the use of vinyl type material. The Planning and Zoning Commission held a public hearing on September 20, 2010 and recommended approval (to be continued on the record to April 25, 2011)

PH 163 City initiated text amendment to Article 8.2, Signs, of Hailey Zoning Ordinance No. 532 to create an exception to allow for one (1) flashing open sign per business. These types of signs are currently prohibited. The Planning and Zoning Commission held a public hearing on February 7, 2011 and recommended the exception not be adopted (to be continued on the record to April 25, 2011).

PH 164 Tanglewood Condominiums Preliminary Plat – 2nd request to extend deadline to submit Final Plat – 1st extension was granted on March 8, 2010 for 1 year.

[9:09:34 PM](#) Beth Robrahn provided background and overview. No public comment was offered when the Mayor opened the meeting to the public.

[9:10:28 PM](#) **Carol Brown moved to approve the extension for 1 year. Fritz Haemmerle seconded. Motion carried unanimously.**

NEW BUSINESS

NB 165 *Consideration of \$4,266 Change Order for better waterproofing effectiveness by amending the framing and insulation requirements at the plumbing chases for the Rodeo Grounds Project. Ratification of staff approved change orders in late March for \$1558 for bleacher foundation work and for \$500 for redesigned storm drain.*

[9:11:22 PM](#) Nick Latham, Ruscitto Latham Blanton, explained costs. And gave an update on scheduling and bleacher delays. [9:16:02 PM](#)

WORKSHOP:

Staff Reports Council Reports Mayor's Reports

[9:16:11 PM](#)

Adjourned at [9:21:27 PM](#)

Rick Davis, Mayor

Mary Cone, City Clerk