

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD MAY 11, 2017
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at 5:31 P.M. by Mayor Fritz Haemmerle. Present were Council members Colleen Teevin, Don Keirn, Pat Cooley, and Martha Burke. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson, and City Clerk Mary Cone.

[5:31:39 PM](#) Call to order

Open Session for Public Comments:

No comments

[5:32:10 PM](#) **Burke moves to amend agenda adding New Business item NB 162, seconded by Keirn, motion passed unanimously.**

PUBLIC HEARINGS:

PH 161 Discussion of Staff Memorandum regarding key elements of Quigley development and whether to consider a city initiated annexation (Continued from May 3, 2017)

[5:33:15 PM](#) Williamson opens with this item, go to page 4, paragraph 6B, just before the maps in packet, revisions “total acreage 48 acres has been deleted” because if developed in county, then minimum lot there would have to be 5 acres, Williamson explains the R5 county zoning designation of the upper lots, covered in the conservation easement. 2nd paragraph, “city will state to DEQ through county, we will not serve those lots with sewer systems,” page 6 paragraph 10B, property dedicated to school district, they asked for water rights to take care of property, then paragraph 14, Quigley Farms is willing to convey up to 30 acres with water rights, subject to the terms of this paragraph.[5:37:00 PM](#) . 2nd Williamson wants to talk about the traffic impact statement, Lochner presentation and impact statement. Williamson has requested that Lochner update the study based on some good comments questions from the public, it will happen in 2-3 weeks. 3rd Williamson talks about the conservation easement proposed, in excess of 1200 acres.

[5:38:50 PM](#) The Rocky Mountain Elk Foundation is willing to give a conservation easement, which would provide a perpetual open space, never to be built on, and ensure that this area is used for educational, agricultural and recreational use. The Wood River Land Trust is looking at this easement also. One of these two non-profits would be the grantee of the conservation easement land, this is not yet decided. [5:40:01 PM](#). 4th point, yesterday Williamson received an offer (from Hennessey) for traffic improvements that the developer would propose, there are still blanks in this document, concern about a Local Improvement District, which Williamson has had hesitations with all along. Williamson shows a diagram and the locations of possible improvements, 2 right hand turn lanes from Fox Acres and highway 75. A mini roundabout by Quigley Ln. and Eastridge Dr.; improvements at Croy and 8th and Bullion and 8th. Applicant has gotten estimates, on a bike path, separated from present bike path going east up Croy, bike path

estimated at \$150,000, and the Fox Acres improvement is estimated at approximately, \$50,000. [5:42:53 PM](#) Estimate for a roundabout, \$50,000 and the 8th and Bullion improvement estimated at \$100,000. Williamson mentions that Eastridge roundabout at Quigley road, is not needed based on the traffic study. Look at roundabout at 8th and Croy, \$50,000 for Fox Acres, \$100,000 for 8th improvements, total of \$350,000, will provide cash for \$250,000 in 2 installments at Certificate of Occupancy, \$150,000 and then will pay \$100,00 at phase 2 Certificate of Occupancy. Williamson proposes another option, making improvements himself (Hennessey), possibly being more cost effective as it would not a public process, Williamson asks council to discuss this please.

[5:46:05 PM](#) Williamson then discusses procedure, option A a city initiated annexation, is where you discuss terms and developer consents to annexation, procedure is simple as defined in state law. With this process council would obtain a recommendation from the Planning and Zoning Commission on classification of land, we started this process but did not finish that discussion with them. We must finish this discussion if council determines it wants to pursue option A annexation.

[5:48:49 PM](#) Williamson points to a mistake in paragraph 8, page 4 of the annexation agreement, amount of consideration is \$580,338, written amount must be this same amount, it is not right now.

Williamson suggests that council discuss this with developer and make the decision on whether want to annex, if not must wrap up county development ACI comments.

[5:50:31 PM](#) Mayor Haemmerle wants to discuss some annexation agreement items and give his opinion on whether to annex the property. Buying a well site, not willing to buy it, Hennessey responds would like to trade it for \$100,000 in annexation fees. Haemmerle asks if he would reconsider, Hennessey said yes at the end of the conversation.

[5:52:27 PM](#) Mayor Haemmerle discusses the NB district with Laski. Conditional uses would be evaluated as to serving the people in that area. Laski, is okay with this.

Mayor Haemmerle traffic improvements understands you are willing to give \$200k for this. Hennessey confirms.

Sewer, if Department of Environmental Quality (DEQ) doesn't approve your solution, are you willing to upgrade the city sewer line, Hennessey confirmed yes.

[5:54:03 PM](#) Haemmerle commercial space size, are you willing to reduce this size. Laski comments, don't understand why this would be asked as comp plan identifies a commercial zone here.

[5:55:20 PM](#) Haemmerle's opinion, on whether to annex this property, what to do with Quigley Canyon. Does not wish to battle and lose the war. This won't remain open space forever, it will be developed. The worst thing that could happen in his opinion is that this property is developed in the county and the county gives bonus density and then we have undesirable density on our

City borders. Counties and political subdivisions don't get to pick and choose what to approve, only consider whether the application meets requirements, you get to subdivide your property. a straight lot block development would be bad out there. Also, a bad idea is to change the zoning in the county, [5:58:41 PM](#) The county allowed density bonuses (Community Housing Overlay District), astonishing, his opinion if county allows Community Housing PUD, it would be a disaster, worst piece of legislation, if applied to Quigley, it would be awful. [5:59:53 PM](#) Is this the "right plan," Mayor Haemmerle asks while displaying the map of proposed plan on the projector. The property 1,512 acres, 1,238.68 acres would be in a conservation easement, as dedicated open space, that is significant open space, protected in this development plan. That is a win for this proposal. In this plan, Quigley Farms is willing to give 110.3 acres to Blaine County Recreation District (BCRD), another win. 11.1 acres, deeded to Blaine County School District (BCSD). The last time (proposed annexation) showed houses all along Buckhorn, now there are dedicated fields given to the school district, another win. 24.7 open space acres. This is a good way to win this war once and for all. Total developed land is 107.4 acres. [6:03:04 PM](#) How does this fit in with the city asks Haemmerle. He would like to see open space. Bottom line, this is a 50% reduction in developed land from the last annexation project. Wildlife corridors are protected in this proposal.

[6:04:54 PM](#) Regarding Water and Wastewater, Haemmerle does not want to lose control over the sewer system by letting them develop in the county and have no control over it, annexation is a positive point here. Traffic, one question, would traffic be any different in the county? He thinks not, just won't get funding to offset the impact. It looks like the city, let's control it. Don't want to win the battle and lose the war. Haemmerle has heard comments, city would annex another failed subdivision, he doesn't see any failed subdivisions in our city, they are all unique. [6:07:18 PM](#) Hailey was the original Townsite in 1882, there were no subdivisions then. Woodside developed in the 1970's he thought it would ruin this town, he thinks it is great and his fears were not justified. All the other Hailey subdivisions are good too. Haemmerle agrees with Curtis Uhrig, we don't roll out the welcome mat to annexations. Haemmerle concurs with Dr. Archie's comments - this brings a unique blend to our city. Haemmerle thinks this is innovative and a compromise to our city. [6:10:21 PM](#) Dumke property approved at 108 units, it could handle 200 units, that was a good deal to the city to limit the lots. Mayor Haemmerle announces he will vote yes, if called upon to vote.

[6:11:31 PM](#) Burke understands that we are here to make a decision and work on an annexation agreement, and then negotiate the terms. Burke like Haemmerle is concerned about the well head site, obtaining permits, not sure about paying for the water rights for the well site, need clarification about this and more discussions. After downsizing the area at Planning & Zoning Commission from 14,500 acres, Burke feels the wellness offices would compete with downtown businesses. Burke is in favor of the light commercial store concept with the school running the business or providing food for sale. Burke is not sure about the brewery, because of concerns from downtown businesses, it was a hard winter. Somehow to not dilute the ability to be successful out there and not compete with downtown. Next the retreat center, move from hotel to this, feels this is a good choice and great to have visitors. A community center related to activities offered in Quigley, Hennessey confirmed yes. Then Burke speaks regarding the traffic, she likes proposals the we saw, suggest the intersection to rise over the culvert at Bullion and 8th, a roundabout at Croy and 8th, and bike path connecting to Quigley, can we get a grant to cover

this? Burke is not in favor of a diverter at Croy. Burke has lived on Bullion since 1974, we wouldn't have a town if we didn't allow development. There was no development around then, it took investments in our town to develop. Burke feels for the Quigley residents, but the point is, this is a city, it has cars, that is the nature of this. Most of the no's, are people directly impacted by the development. The right [6:22:48 PM](#) thing to do is to annex this property.

[6:22:59 PM](#) Cooley has similar concerns and has a few questions. What does the public access on the conservation easement look like? Can he get to this land? Hennessey confirmed yes, you will be able to connect. [6:23:49 PM](#) Question about water rights? And annexation fees, Hennessey it is city's discretion to buy the rights. Septic tank question, where are the solids kept? Hennessey replied, there is a tank per 2 homes, run by Homeowners Association (HOA). Hennessey explains [6:25:34 PM](#) the sewer system, all solids are left in the tanks. [6:26:08 PM](#) Williamson brings up question about safety of overflow. Hennessey has someone willing to run and manage it, to pump out the tanks on behalf of all homeowners. [6:27:05 PM](#) Cooley if no DEQ approval, the annexation is in trouble. Cooley feels pros are, to fill up our borders. There is certain level of uncertainty with sewer but have option to send (solids) to city treatment facility if necessary. Good and bad on well site. On traffic issue, glad to hear the dollar amount, feel if privately done would get a better price. Likes the Rocky Mountain Elk Foundation easement connection. It looks like the city, we should get fees, including the annexation and development Impact fees. If we can work out the details of these items discussed it would be great. Don't want to draw business from downtown businesses. [6:31:07 PM](#) Development is speculative, we should not control inventory, Cooley is generally inclined to approve this annexation and work through details with Hennessey.

[6:31:44 PM](#) Laski asks a question about process, businesses would be controlled by what is permitted. Haemmerle explains, propose commercial uses for the non-profits that want to be out there. Further discussion ensued about the CUP for businesses.

[6:33:42 PM](#) Keirn would like to see things oriented to the homeowners, not a micro-brewery, don't want to cause problems for the sewer system. Keirn also concurs about well site, sewer system will only impact 4% volume to our system load, not an issue in his mind. Keirn's biggest concern about developing this property in the county is the same as Mayor Haemmerle. Regarding financial concerns and the city, 2002 Tischler study, "most residential properties don't pay for themselves." We would not get fees if developed in the county, Police would respond to calls since sheriff would be further away. Keirn would like to see this annexed if we can work out details.

[6:37:57 PM](#) Teevin asks a question about the retail space, how can this be supported by the local homes, if it fails what happens to the space. [6:38:55 PM](#) Hennessey responds, want to have a realistic scale to ensure its viability, don't want to build too much. And serve the neighbors as well as tie into the community. [6:40:13 PM](#) Teevin asks a question about the school, Hennessey responds, will encourage Sage school students to ride the bus to school or their bikes. [6:41:13 PM](#) Teevin asks if worth considering some additional left turn lanes from highway into Fox Acres? Can we consider this discussion? The improvements on Croy and 8th at top of list, then 8th and Bullion. Teevin wants to hear updates on the Lochner traffic study, if traffic diverts through east Hailey then develop 8th and Bullion? [6:43:13 PM](#) Teevin thanked the community

for their input, this is known in academia as a “wicked problem.” When all is said and done, this may be our best option. Feels like we need more support from the community, we have another option, make a motion to continue, learn more about the traffic study, well site, and conservation easement. Is it worth negotiating longer to work through the details before making a decision. If option C, crunch numbers, letting developer know intent of details.

[6:47:30 PM](#) Keirn moves to initiate an annexation of the real property identified as the City Parcel on Exhibit B-1 pursuant to Idaho Code § 50-222 subject to an Annexation, Services and Development Agreement consented to by Quigley Farms and Conservation Community LLC and Quigley Green – Owner, LLC, and to remand the proceedings to the Hailey Planning and Zoning Commission to establish comprehensive planning policies where necessary and zoning classification of the lands to be annexed, finding that the land to be annexed is adjacent and contiguous to the municipal boundaries of Hailey and that the proposed annexation meets the requirement of a Category A annexation, seconded by Burke, discussion on the motion ensued. Keirn feels key word is initiate. Cooley, ask Planning and Zoning Commission to finish the zoning discussions before finalizing. Burke, there is still a step to get the annexation agreement details finalized. Teevin is there harm in waiting, to fully inform? Burke responds, if commitment is there, then discussions go farther, weakening of will and dollars make it hard to come to a successful conclusion. Are we of the mind that this is the right thing to do, 4 of us do, it is a big decision. Teevin understands this is a big process. [6:51:58 PM](#) Haemmerle says the danger is losing this option to county development, (annexation) it protects open space. Motion passed unanimously with roll call vote. Keirn, yes. Cooley, yes. Burke, yes. Teevin, yes. [6:53:08 PM](#) .

[6:53:14 PM](#) Williamson outlined next steps, next Planning and Zoning meeting in June a special date. Williamson will work on agreement and discuss another time before or after Planning and Zoning meeting. Maybe bring back to council for the 2nd meeting in June after Planning and Zoning Commission meets.

[6:54:34 PM](#) Regarding traffic improvements, Williamson asks council. Discussion ensued about the improvements, by developer.

No comments by developer.

After further discussion regarding the improvements; and Mayor Haemmerle suggesting that the costs would be lower to the developer than to the city through the public works process, the developer is asked if he would consider doing the improvements instead of paying the city to do them.

[6:55:43 PM](#) Hennessey is okay with developing the improvements.

NEW BUSINESS:

NB 162 Resolution 2017-____ to enact the power of the City of Hailey, authorized under Idaho Code 50-333, to cause and parcel of land within the city limits to be drained

[6:56:12 PM](#) Mayor Haemmerle explains the late agenda item addition. State code allows for city to remove water if property owner does not do it. We currently have a property with the flooding Big Wood river, causing problems for other neighbors, an artificial damn causing issues.

[6:57:34 PM](#) Dawson adds, the city engineer is assessing the property to determine whether this action would work.

Burke moves to approve Resolution 2017-038, seconded by Keirn, motion passed unanimously.

Note: 2017-041 was originally assigned to this item during this meeting, but later it was discovered that it conflicted with another already adopted Resolution with the same number.

[6:58:21 PM](#) Keirn moves to adjourn meeting, seconded by Cooley, motion passed unanimously.