

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD JULY 24, 2017
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at 5:30 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, and City Clerk Mary Cone.

[5:30:16 PM](#) Call to order by mayor Haemmerle

Open Session for Public Comments:

No comments

CONSENT AGENDA:

- [CA 275](#) Motion to approve Resolution 2017-075, approving AIP grant for FMAA to perform runway and parking improvements – grant amount \$2,500,000.....
- [CA 276](#) Motion to approve Resolution 2017-076, authorizing a grant agreement with Idaho Department of Lands for Wildland PPE equipment award of \$4000
- [CA 277](#) Motion to approve Resolution 2017-077, authorizing an agreement with Power Engineers to complete task 4 of the Indian Creek hydro facility design proposal for an amount not to exceed \$4,192.00.....
- [CA 278](#) Motion to approve Resolution 2017-078, authorizing a revised agreement with Harmony Design & Engineering for development of the Hailey Greenway Master Plan for a not-to-exceed amount of \$35,000.....
- ~~[CA 279](#) Motion to ratify Special Event agreement with Southern Idaho RV & Marine – RV & Boat show at McKercher Park July 14-16 from 8 am – 9 pm.....~~
- ~~[CA 280](#) Motion to approve change of dates for previously approved Special Event Permit for Hailey’s Antique Market, revised dates being August 18, 2017, going through August 20, 2017, to be held at Roberta McKercher Park.....~~
- [CA 281](#) Motion to approve Alcohol License Renewals for Hailey Businesses.....
- [CA 282](#) Motion to approve minutes of July 10, 2017 and to suspend reading of them.....
- [CA 283](#) Motion to approve claims for expenses incurred during the month of June, 2017, and claims for expenses due by contract in July, 2017
- [CA 284](#) Motion to approve Treasurer’s reports for month of June 2017.....

CA 279 pulled by Burke
CA 280 pulled by Teevin

[5:31:13 PM](#) **Keirn moved to approve all consent agenda items minus CA 279 and CA 289, seconded by Burke, motion passed unanimously.**

[5:31:31 PM](#) CA 279 – special event RV Haemmerle explained this item. Haemmerle asked Williamson to draft ordinance prohibiting sales events like this in the future. Burke and Cooley are in agreement with the Mayor about prohibiting these events in the future.

[5:33:06 PM](#) **Burke moved to ratify the RV Special Event at McKercher Park, Keirn seconded. Motion passed unanimously.**

CA 280 - [5:33:27 PM](#) Teevin believes she should stick with her original date. Haemmerle thinks this could be more successful if date moves.

[5:36:29 PM](#) Teevin moves to deny date change, seconded by Burke, discussion ensued, [5:37:08 PM](#) Haemmerle this event brings in orderly visitors, motion passed unanimously, denying change request.

MAYOR'S REMARKS:

[5:38:20 PM](#) Haemmerle flood update, Idaho Power will raise 9 transformers in Della View area at least 1 foot to prevent future flood related issues with electricity.

PUBLIC HEARINGS:

PH 285 Consideration of an annexation ordinance for a city-initiated Category A annexation pursuant to Idaho Code § 50-222(3)(a). The property subject to the annexation is east of Hailey, and is located adjacent and contiguous to the Deerfield Subdivision located in the City of Hailey, and is known as Quigley Farms. The annexation ordinance describes the proposed zoning districts for the annexed property, as recommended by the Hailey Planning and Zoning Commission

- *Consideration of an Annexation Services and Development Agreement consented to by the property owner, Quigley Farm & Conservation Community, LLC.*
- *Consideration of zoning and subdivision text ordinance creating a Peri-Urban Agricultural overlay district and allowing private streets in the Peri-Urban Agricultural Overlay District.*

[5:39:04 PM](#) Quigley overview given by Williamson. Council needs to make some decisions tonight. You have Planning and Zoning Commission's recommendation on the zoning of this property. On page 114-115 of packet, Williamson points out suggested actions tonight. Documents that focus on annexation will be discussed tonight, the annexation ordinance, zoning areas contained within the annexed property. Text amendments should be discussed, and the annexation agreement needs to be adopted.

Planning and Zoning Commission met twice after council's meeting pg 117 in packet, evaluated the proposed text amendment pg 128 – 132 of packet. Amends definitions, creates new definitions, new area peri-urban district, then we would need to revise the zoning matrix.

[5:44:06 PM](#) Conditional Use permits – standards A-H, read by Williamson. Must meet these standards plus standards on page 132 of packet, peri-urban agricultural overlay district, Haemmerle explained this situation. Last section of the ordinance, allow private streets in the peri-urban area. Pg 133-135, ordinance also considered by Planning and Zoning Commission, GR and dark areas 4 areas, considered NB.

[5:47:49 PM](#) Conservation Easement is in packet, and displayed on projector. Green area is shown as easement. 3 pods, and 6 lots south of Quigley road are proposed inside the conservation easement area. Laski will discuss this area. Page 181 of packet, shows a layout of

each pod and the 6 lots, 5-acre minimum under counties ordinance. Applicant would seek rezone of this area, otherwise, they would have to move up the canyon with this development. With a rezone, this is feasible and would work just fine. There is an issue that Laski will explain. No residential in the green colored area.

[5:53:13 PM](#) Haemmerle asked if map will be contained with annexation agreement. Hennessey confirmed yes.

[5:53:43 PM](#) Williamson on pg 158, of packet begins discussing the annexation agreement, paragraph 6B talks about the conservation easement, county property, county had suggestions, discusses the rezone application with the county. Williamson suggested new sentence, applicant will apply with county for R-1 Zoning before the application is made for subdivision in the county. In turn, we would support R-1 zoning of this area. Paragraph 6A, comment from council member, convenience store by definition does allow for gas stations serving food, applicant has agreed to no gas sales for the convenience store, needs to be added here. Annexation paid in 3 installments. [5:57:00 PM](#) payment in excess of \$230,000 (blocks 10, 11 and 15), subdivision of blocks 5, 6 & 7 payment with 2nd phase. Hennessey points to the lots. Last payment due at phase 3 subdivision of the remaining blocks. This agreement sets forth that a well site will be made available to Hailey, on page 160 of packet. Paragraph 1A, 1 acre of irrigation water rights is for snowmaking. Page 161, offsite improvements for the road, suggested by council that Quigley would provide \$20,000 for 8th ave improvements and mini-roundabout at 8th and Croy. If there is any money left over, after the improvements are done, then the remaining will go towards the next annexation payment [6:00:54 PM](#) Quigley Farms will do the work themselves. Discussion regarding B2 and B3 exhibits, page 180 is shown, same lots as on page 181. Williamson explains that the area painted dark blue is to show 3 acres, not bound by lot and blocks boundaries, that is why it looks different.

Traffic impact study has been updated. [6:03:17 PM](#) by Lochner, changes the distribution of travel on Quigley and Fox Acres. Changed for seasonal traffic.

[6:04:25 PM](#) Williamson points to Page 336, annexation ordinance, would actually annex the property and sets forth property map and zoning districts for property.

[6:05:06 PM](#) Williamson then lets council know that he will address public comments from Jim Phillips dated July 22, 2017, specifically regarding text amendments and Planning and Zoning Commission outcomes of earlier conversations. Phillips talks about evaluating a standard and deciding whether or not a use would be permitted or not-permitted. Circles mentioned in the Comprehensive Plan identify areas of service, where small commercial areas can be serving nearby residences. Planning and Zoning Commission looked at the small dot, service center dot out Quigley. Planning and Zoning Commission was not inclined to include it as a standard but did add language, that any business in this area shall not be detrimental to any downtown businesses. [6:08:11 PM](#) Planning and Zoning Commission, were okay to keep general and professional offices to conditional uses. Phillips suggested a change to semi-public use, incorporated in the draft in packet. Lastly, he states, that we have not followed procedures under Idaho code sections, claims Phillips. Williamson, you have asked Planning and Zoning Commission to recommend zoning of the business area. Then if council chooses to annex this

property, we must amend ordinance. Procedures discussing the comprehensive plan. 1) Comprehensive Plan, we are not amending our comp plan because it already recognizes this spot as a service area. Notices going out to the public are specific, 3 phases, mixed uses of this property, we have given notices about the development plan. Ultimately, we need to get to the standards for the zoning. Williamson has a memo in the packet, outlining the steps for council, which include making the findings for a zoning text amendment on page 113 of packet. Contiguous and adjacent and a category A annexation. [6:12:26 PM](#) Mayor Haemmerle suggested reading the WHEREAS clauses in the motion to capture all of the areas. For the text amendment look at the 4 standards and then look at Planning and Zoning Commission standards. Page 114. For a subdivision, they are different, they look at standards. Paragraph E, delivery of services, ask council to address this when you look at standards. Take public comments, listen to Laski and then discuss.

[6:14:21 PM](#) Haemmerle clarified that the annexation ordinance, zoning text amend ordinance, the conservation easement and then the annexation agreement should be discussed tonight.

[6:14:53 PM](#) Jim Laski asked to show the conservation easement map to room. Laski explains the way the 6 parcels and 3 pods are to be set up, Wood River Land Trust (WRLT) only wants to have 1 owner to deal with. Right now he is working with the WRLT attorney, take area out until rezone is done and when developed, will take non-developed space after property is developed.

[6:17:26 PM](#) Haemmerle asked a few questions. 24 lots, asking for R-1 zoning, 1 acre lots. Restricted to developing 1 of 5 acres. This map gets attached to all agreements. Laski needs time to fine tune this with WRLT. Laski explains, will develop within boxes shown on map. Haemmerle comments again. Nothing will be developed outside of the boxes, right? Will be 2 more exhibits showing the progress of adding the property as easement property but it is a bit more complicated. 1,200 plus acres, was changed to show, minus 120 acres of the developed area.

[6:22:08 PM](#) Williamson explains attached is an exhibit to ordinance that the Planning and Zoning Commission approved. Now we are 1,161 acres, county side is 120 acres? Haemmerle clarifies. May be private open space, Hennessey announced. Laski recounts, they want this part of conservation easement making it larger, not smaller. 176 developed units in the city, 24 units in the county.

[6:24:32 PM](#) Laski explained that there are other issues which are being worked out, including indemnification language, which will not impact the city in any way, shape or form.

[6:24:55 PM](#) Haemmerle asked about the alfalfa farming, and keeping the water rights. Hennessey responds, the land would be donated to Quigley Farms and then would contract out with a farmer. Laski, can put this detail in the conservation easement. Who will maintain private streets, Hennessey responds, homeowners will. There are only a few private streets, alleys, Rec district street and a city water tank easement.

[6:27:41 PM](#) Cooley asks, no gas stations allowed, right? Hennessey confirmed, that is correct.

[6:28:05 PM](#) Teevin had an ex parte discussion with Marty Winelist, discussed procedure., moving forward in the next meeting, and no decisions were made in the last council meeting. Teevin then refers to Page 2 of the conservation easement, page of the packet is 138, mentions Elkhorn, letter i. Teevin asked if they would be open to non-lethal predator control in this area. Hennessey confirmed, it is okay with him.

[6:30:27 PM](#) Keirn asks about indemnification of the easement, Laski, responded, tweaked language, now settled. Will Hennessey be putting buildings up? Hennessey, major core for non-profits, not sure who will construct the buildings.

[6:31:52 PM](#) Burke, page 2 of Phillips letter, comments non-profit section 501c3, is this addressed sufficiently in our agreement? Williamson replies, page 131, the matrix, conditional uses mentioned apply to this property, 7 uses, NB in middle, those are conditional uses, GR, 2 are conditional. Lists for all uses in matrix, then must look at items a-h standards, Planning and Zoning Commission felt comfortable with this.

[6:35:20 PM](#) Cooley asks, a question regarding philanthropic uses for the area, Williamson, section 2 on page 129, the Semipublic Use language has been changed. Now every non-profit has to be educational, charitable or philanthropic nonprofit nature.

Public comments:

[6:37:00 PM](#) Bob MacLeod Hailey resident speaks to council. MacLeod thought the biggest point regarding annexation was the sewer system, what has been decided with this?

[6:38:00 PM](#) Marty Winehouse Deertrail resident asks a question about page 201 of packet, and the conditional uses, specifically alternative energy sources, what does this mean? Williamson thinks this is a defined term. Is solar a viable option asks Winehouse. And on Page 162 of packet, wastewater treatment, must be okayed by IDEQ, what happens if it's not approved by IDEQ, asks Winehouse.

[6:40:29 PM](#) Linda Reis, Eastridge resident, suggests that council annex only 1 phase at a time, to give the city time to see how things are going and to assess it.

Rebuttal to public comments

[6:41:35 PM](#) Hennessey responds that solar uses are defined and contained in the matrix and require a conditional use permit. Laski comments, the Wastewater system, pg 162 of packet, page 8 paragraph 13, annexation agreement for Wastewater system dictates the parameters for the system and approval by IDEQ.

Council deliberation.

[6:43:12 PM](#) Teevin remembers discussions about needing to upgrade the East side of Hailey's Wastewater main system. Williamson responded, Quigley will only use our main lines as a backup, if their system fails, we will put it into our system and time it so that it will not impact

our system negatively. What happens if any land is in the floodplain? Williamson answered, the floodplain area will be smaller. ADU's were a surprise to Teevin, do they have to go through design review? Could be 25-30 more housing units, page 119 of packet, of the 176 units. Williamson responded, these would not require design review the same as other zoned areas in the city – not in the townsite overlay district.

[6:47:04 PM](#) Where would the ADU's be addressed? Williamson, in a text amendment.

[6:47:31 PM](#) Haemmerle proposes a process to council. Motion to approve or not annexation ordinance. Williamson suggested follow standards by Planning and Zoning Commission and extra statute of delivery of services first. Williamson clarified, he suggests a 2 part motion, first to annex or not annex, then discuss zoning districts, then the text amendments and finally the annexation agreement.

Williamson points to pg 337 of packet, the last WHEREAS statement addresses delivery of services topic, exactly what we are discussing now.

Haemmerle proposes motion on annex ordinance, pg 336 and 337.

[6:51:41 PM](#) **Burke moves to adopt Ordinance No. 1219 with the findings council has initiated a Category A annexation, that this is real property is adjacent to the City of Hailey, the legal description of which is attached hereto as Exhibit "A" (the "Property"); Finding that the City Council of the City of Hailey has determined that the annexation of the property will further the city's best interest protect the health safety and welfare of the citizens of Hailey; finding that the City Council of the City of Hailey has determined that the annexation represents an orderly extension of the city boundaries; finding that that the City Council of the City of Hailey has determined that the annexation represents a Category A annexation pursuant to Idaho Code § 50-222(5)(a); finding that the property is contiguous and adjacent to the existing boundaries of the city of Hailey; finding that the owners of the annexed property, Quigley Farms and Conservation Community, LLC an Idaho limited liability company, and Quigley Green – Owner, LLC an Idaho limited liability company, have consented to the city initiated annexation; finding that the City Council of the City of Hailey has determined that the annexation is in the best interests of the City of Hailey; finding that, the Hailey Planning and Zoning Commission ("Commission") has recommended zoning classifications for the Property and has voted to recommend approval of an amendment to the Hailey Zoning Map; finding that, the Hailey City Council has considered the recommendation of the Commission and has voted to approve of an amendment to the Hailey Zoning Map as shown on attached Exhibit "B"; finding that, essential public facilities and services are available to the uses shown on attached Exhibit "B" without excessive public cost; finding that, the proposed uses as shown on attached Exhibit "B" are compatible with the surrounding area; finding that, the zoning map amendment set forth in this ordinance will promote the public health, safety and general welfare; and finally finding that, the Hailey City Council has given particular consideration to the effects of the zone changes upon the delivery of services by any political subdivision providing public services, including school districts within the City of Hailey. Motion seconded by Keirn, Mayor Haemmerle called for discussion, Williamson**

suggested a condition, subject to council's approval of the text amendment and subject to adoption of the annexation agreement, suggested Haemmerle, Burke amended her motion to include the condition as mentioned by Williamson. Keirn, seconded the amended motion. Motion passed with roll call vote. Teevin, yes. Keirn, yes. Cooley, yes. Burke, yes.

Mayor Haemmerle opened the discussion of the proposed Zoning text Ordinance amendments, on page 121 of packet. Mayor Haemmerle suggested that council adopt the Planning and Zoning Commission's recommended findings criteria found on page 5-9 of their Findings of Fact Conclusions of Law for zoning and page 9 and 10 for subdivision amendments, Teevin asks about including language ADU's subject to design review? Williamson suggests that it would be in this ordinance, can add it.

Discussion ensued about ADU's. Haemmerle and Cooley respond to Teevin's comments. Are these ADU's appropriate, Teevin asks. Cooley is okay with it. Keirn agrees with Cooley. Teevin traffic is a concern already. Haemmerle suggests **7:01:01 PM adopting Ordinance No. 1220, read by title only, adopting the Findings of Fact Conclusions of Law approved by the Planning and Zoning Commission, motion made by Burke, seconded by Keirn, discussion on motion, Teevin's concerns, Burke respects underlying zoning to dictate when design review is required, Teevin asked, does anyone else has concerns. Motion passed with roll call vote, Burke yes. Cooley, yes. Keirn, yes. Teevin, yes.**

7:03:34 PM Mayor Haemmerle conducts 1st Reading of annexation Ordinance No. 1219, by title only.

7:04:50 PM Teevin expresses interest in voting no on this ordinance, and proceeds to correct her vote as a "no" on Ordinance No. 1220, the text amendment, Williamson indicated not needed to change motion as it still passes without her yes vote.

Mayor Haemmerle conducts 1st Reading of Ordinance No. 1220, by title only.

7:07:01 PM Annexation agreement proposed with Resolution, needs a conservation easement map and revise language application for rezone. Haemmerle suggests that this needs to be done, or we don't move forward with final readings of Ordinance Nos. 1219 and 1220. Need to have the Findings of Fact Conclusions of Law, on Aug 7th, the 2nd readings conducted at the 7/31 meeting, and 3rd readings on Aug. 7th with Findings of Fact Conclusions of Law.

Mayor allows departure of room after the public hearing.

STAFF REPORTS:

7:12:20 PM Mayor Haemmerle announced there were no bids received for pathways for people project.

7:13:49 PM With no further business to conduct, Motion to adjourn was made by Burke, seconded by Cooley, motion passed unanimously.