

**MINUTES OF THE MEETING OF THE  
HAILEY CITY COUNCIL  
HELD JULY 23, 2018  
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at 5:32 P.M. by Council President Martha Burke. Present were Council members Colleen Teevin, Kaz Thea, and Pat Cooley. Absent: Mayor Fritz Haemmerle. Staff present included City Attorney Christopher P. Simms, City Administrator Heather Dawson, City Planner Robyn Davis, and Deputy Clerk Nancy Arellano.

[5:32:46 PM](#) Call to order by Council President Martha Burke.

Open Session for Public Comments:

No public comments.

**CONSENT AGENDA:** #

- [CA 282](#) Motion to authorize partial release of Security Bond to Colorado Gulch Preserve for infrastructure installation work completed **ACTION ITEM**.....
- [CA 283](#) Motion approve Letter of Engagement for the FY18 audit **ACTION ITEM** .....
- ~~[CA 284](#) Consideration of Resolution 2018-076, a resolution authorizing minor amendments to a PUD Development Agreement (previously adopted on July 9, 2018) based on new input from County Commissioners **ACTION ITEM** .....~~
- [CA 285](#) Motion to approve Findings of Fact, Conclusions of Law and Decision regarding a Planned Unit Development (PUD) Application for Blaine Manor Senior Community by ARCH Community Housing Trust and Blaine County, located at 706 S Main (Lot 3, Block 1, Hailey Townsite), for thirty (30) senior housing units on one (1) newly created lot **ACTION ITEM**.....
- [CA 286](#) Motion to approve Findings of Fact, Conclusions of Law and Decision regarding a Preliminary Plat Application, titled Blaine Manor Subdivision by ARCH Community Housing Trust and Blaine County, located at 706 S Main, wherein Lot 3, Block 1, Hailey Townsite is resubdivided into two (2) lots **ACTION ITEM** .....
- [CA 287](#) Findings of Fact, Conclusions of Law and Decision regarding a Final Plat Application for Lupine Subdivision, where Lots 21A and 21B, Block 49, Woodside Subdivision No. 12 (3140 and 3144 Snow Bank Drive), are resubdivided into six (6) lots, ranging in size from 6,026 square feet to 16,034 square feet **ACTION ITEM** .....
- [CA 288](#) Motion to approve Alcohol License Renewals **ACTION ITEM** .....
- ~~[CA 289](#) Motion to approve minutes of July 9, 2018 and to suspend reading of them **ACTION ITEM**.....~~
- [CA 290](#) Motion to ratify claims for expenses incurred during the month of June 2018 **ACTION ITEM**.....
- [CA 291](#) Motion to approve claims for expenses incurred during the month of June, 2018, and claims for expenses due by contract in July, 2018 **ACTION ITEM** .....
- [CA 292](#) Motion to approve Treasurer’s report for the month of June 2018 **ACTION ITEM** .....

[5:33:16 PM](#) Simms pulls CA 284. Dawson pulls CA 289.

**Cooley moves to approve all consent agenda items minus CA 284 and CA 289 seconded by Thea, motion passed unanimously.**

[5:33:53 PM](#) CA 284 Simms, pulls item to explain. Council may recall at the last regular meeting of City Council there was an approval of authorization of Mayor Haemmerle to sign the Development Agreement with Blaine County and ARCH to encourage the co-applicant for a

community housing project grant at the Blaine Manor site. There were a few typographical errors in the document discovered and remedied by staff and shown corrected in your packet tonight. Blaine County discussed this item today and suggested some changes. There were graphical errors caught by staff that have been included in tonight's packet. Simms sent these changes out to Mayor and council today for their review prior to the meeting. Simms describes the substantive changes from the county, changing it from a requirement for the 15-foot strip of land running along lot 1 block 2 being donated to the city would be at a future date.

Burke asks Simms where the changes are located within the agreement, are they on sections 10 and 11 on page 3 of agreement? Simms confirms yes, as well as, paragraph II, Agreement: sub-paragraph B, "Subdivision, Future Use,...etc."

Teevin asked on D. PUD Approval, item number 9, did we decide on 2 years or 3 years? Burke responded 3 because of the grant time cycle.

Thea asks about a revised plat and map with the 15 foot strip showing. Simms responded, if the County chooses to grant the city the 15-foot strip of land, then an amended preliminary plat application will be processed, which will not affect the ARCH parcel.

**Cooley motions to authorize the Council President to sign on behalf of the Mayor Resolution 2018-76 a resolution proposing minor amendments to the Blane Manor Senior Community PUD Development Agreement, seconded by Thea. Motion passed with roll call vote, Thea, yes. Cooley, yes. Teevin, yes. Burke, yes.**

CA 289 Dawson brings to attention the revised motion on the minutes.

Dawson was asked by the City Clerk to bring council's attention to a correction on page 132 of packet. A complete motion is now shown, in the handout provided in the packet.

**Cooley motions to approve CA 289, the amended minutes as handed out in packet, seconded by Thea, motion passed unanimously.**

**COUNCIL PRESIDENT'S REMARKS:**

No remarks by Council President Burke.

**PROCLAMATIONS & PRESENTATIONS:**

*PP 293 Certificates of Service to retiring Hailey Arts and Historical Preservation Commissioners Morgan Buckert (3 years), Jim Keating (8 years) and retiring Hailey Parks & Lands Board Member Dean Hernandez (11 years)*

[5:42:27 PM](#) Recognition awards will be handed when the Mayor is back.

**PUBLIC HEARING:**

*PH 294 Consideration of FY2019 Budget, establishing budget amount with motion to adopt tentative budget, with instruction to notice the not-to-exceed amount for a public hearing on August 13, 2018 ACTION ITEM*

[5:45:20 PM](#) Dawson opens item. Dawson asks if Council members have questions. Thea, suggests the Chamber funds for the Hailey Ice be split and given directly to them. Thea comments on fireworks fund, would rather see the money go to other entities like Blaine County Housing Authority. She comments that money should be given to Mountain Rides as an example. Dawson answers Thea. Discussion ensues. [5:53:35 PM](#) Burke asks what amount to be distributed to Hailey Ice. She is comfortable if money is allocated through Hailey Chamber. [5:56:22 PM](#) Tony Evans, question on amounts. Dawson answers, adopt the funding the Mayor discussed with \$2,500 or \$3,000 to Hailey Ice. Further discussion on Aug. 13<sup>th</sup>.

**Thea, motions to approve a not to exceed budget of \$13,633,526 for City of Hailey's 2019 fiscal year, to be published in advance of the Aug. 13, 2018 public hearing. Teevin seconds. Motion passed unanimously.**

*PH 295 Consideration of First Reading of proposed Ordinance No. \_\_\_\_, a recommendation by the Hailey Planning and Zoning Commission regarding a City-initiated text amendment to Title 17, Section 17.05.040 District Use Matrix, to create a new Overlay Zone, "Downtown Housing Overlay District". This District will be a new Chapter 17.04R, which includes general application, bulk requirements, density and parking space requirements for apartments averaging 600 square feet in size, and including Ordinance No. \_\_\_\_, an amendment to the City of Hailey Zone District Map, "Downtown Residential Overlay", which includes additions of lands on River Street as recommended by the Hailey City Council at the June 25, 2018 meeting ACTION ITEM*

[5:59:56 PM](#) Davis opens, Council directed staff to add the properties along River St. back to the Overlay. At the last meeting, Council discussed whether or not to consider including properties along Myrtle St and 1<sup>st</sup> Ave. It was decided to readdress at a future date. Davis informs Council of the public comment included in this council packet from Ned Williamson, who is present at the meeting.

[6:00:55 PM](#) Teevin and Cooley question on final decision. Simms answers consensus reached, no formal decision was made.

Council President Burke opens for Public Comment.

[6:02:08 PM](#) Ned Williamson, owns 525 1<sup>st</sup> Ave S. speaks. Williamson briefs council; his wife was present at the last meeting and spoke on his behalf. Williamson asks for consideration to include his property in the Overlay district. Williamson feels council members were supportive but Mayor Haemmerle was not. Williamson describes surrounding properties, recounts unanimous council decision in 2010 to allow LB to the North of Williamson's property. To the West, is commercial property new development that is commercial/residential and a used car lot. Williamson, would like to double the size from 4 units. The property has been underutilized. It serves the Comp Plan, supports housing opportunities. He talked to the surrounding neighbors, they are all supportive.

[6:06:12 PM](#) He comments on the Overlay map, describes Overlay properties and gives his thoughts on the inclusions of the School District property and Atkinsons property. He suggests Council consider a rezone that would include Uhrig's lot and Williamson's. He asks Council, if they think it is not a good idea, to tell him and he'll walk away. If it's a worthy idea, he'll do it.

[6:09:09 PM](#) Jay Cone, 651 El Dorado Ln. comments, doesn't disagree with Williamson but wants to put forth the effort and process for over a year working with P&Z. Boundaries were considered many times during those hearings. It's always disappointing and scary for those of us that have vested interest in the Overlay District when things happen at the last minute. Cone feels the suggestion by the Council was this boundary is a difficult thing, we feel comfortable with this boundary, let's see how it works, and recognize we can always change the boundaries in the future. He does see the point on the boundary on the Eastern side is jagged but he also sees Mayor Haemmerle's point. Cone wants to be careful. Cone says we've had a good process and thinks we are close to making this happen. Cone has characterized this as a change that's necessary in order for the Comprehensive Plan to be realized. This is a problem in the ordinance. The ordinance prevents the Comprehensive Plan from being realized to the extent that they could be developed. This is a very worthy change.

[6:11:32 PM](#) Thea speaks. In previous weeks when this conversation was initiated she's said she's good with that. It does meet the intent of the Comp. Plan. Referring to Williamsons property, she says she walked the area. It makes perfect sense. It's sensible right now. Thea, it makes more sense to include Williamson's property because of what is on the ground. She recognizes she doesn't have the history that the Mayor has but from her perspective it's sensible for what is exists today. We have a need, we have a site that makes sense for realizing that need and Williamson might be the first to do something. It makes practical sense. Simms interjects and suggests Council members look at criteria.

[6:13:55 PM](#) Cooley asks Davis why was the pop-out at Atkinsons included? Why did the zoning line change at the alleyway at the South end to pop out to 1<sup>st</sup> Ave.? Davis answers Atkinson's and the pop out were included for a potential employee housing area. Not a lot of single family homes in this area, it is mostly business based.

[6:14:55 PM](#) Thea, Simms brought up a good point; let's look at criteria. The proposed uses are compatible with the surrounding area?

[6:15:45 PM](#) Teevin, that's the questions here, right? That's the problem with the Comprehensive Plan because so much of this is subjective. Teevin missed reading the letter in the last meeting so she wasn't in the discussion much. As she heard the discussion, it became clear which property was being discussed, who it belonged to, and was able to picture it in her head. She went by the property and she noticed across the street is a different piece of property. Boundaries have to start somewhere. Teevin agrees with Mayor Haemmerle, on 1<sup>st</sup> and Myrtle, everywhere you can see from there South, part of that block is Old Hailey. A problem with the subjective nature of the Comprehensive Plan is that we have a Townsite Overlay District but it is vague. It stretches on both sides of Main St. Teevin is having a hard time following just the criteria for review. Teevin believes in staying with the original plan. Teevin, say yes to River Street and no to 1<sup>st</sup>. St.

[6:17:01 PM](#) Cooley comments, alleys are the correct way to split a zoning district. It's the frontage area that people see so if alley lines are the boundary and not the street then it's the street that remains what people see as far as zoning. Cooley is ok with keeping it down the alley as presented. It is right in Old Hailey and we have to start somewhere. We can look at this another time. Cooley trusts the Planning and Zoning decision.

[6:18:31 PM](#) Thea, there's a great need today which is why we are doing this Overlay in the first place. Thea doesn't see it impacting Old Hailey. This is close to the services that you'd want to encourage with the Overlay, walking to the grocery store, walking to the bank, or walking to restaurants. The need is upon us. It fits with what we are about in this Overlay or most of the criteria. She'd hate to say apartment buildings ruin a sense of residential single-family home building; the more we have of mixed being mixed the better we are off making a more viable community in general and not being afraid of an apartment building next to us.

[6:19:46 PM](#) Burke, there is an 8-unit apartment on 3<sup>rd</sup> Ave between Carbonate and Galena. Burke asks Davis if it is GR. Davis answered yes. Teevin, to be fair it's a historic building. Teevin, this brings up my point, it's Old Hailey, we like variety and mixing it up but historic Hailey has a characteristic we want to retain. It is what the Mayor sees very well and Teevin has the same concern. Burke, drove down the alley, around the block, down the street on 1<sup>st</sup> and noticed Scott Miley's new constructions. Burke, I guess those are duplexes. She describes another property down the street where the building had burned down. Might be an ADU property. The creep she's afraid of is businesses and limited business. Burke, do we want to allow future apartments that may or may not be cared for? That depends on the owner but that's not the way you look at this. Concern is she agrees with Mayor Haemmerle, creep is scary. Burke mentions her close proximity to Atkinsons. Burke is for residential and density for downtown. Teevin, refers to Williamson's property, with 4 units the property looks like a house. Doubling that in size more is no longer going to look like a house. Burke, it serves as a buffer between the businesses downtown and the neighbors across the street to cut back noise from restaurants. Teevin counters, it's going to generate more noise at some point. Burke doesn't see that as a problem. Burke recaps, council is content to move forward with River St. and Burke and Thea leaning toward realigning the line on 1<sup>st</sup>. Thea, asks Davis since P&Z made that line what their reasons were for not including 1<sup>st</sup> St.? Davis answers it's because there are more single-family homes on the other side.

[6:25:23 PM](#) **Cooley moves to approve and conduct the first reading of Ord. No. 1238 to amend the zone district map for the City of Hailey by adding the Downtown Residential Overlay District as shown in Attachment A of Ordinance No. 1238, and read by title only seconded by Teevin.**

6:27:27 Simms suggests the order of adopting both ordinances. **Cooley, strike previous motion.**

**Cooley moves to adopt and conduct the first reading of Ordinance No. 1238, an ordinance amending Hailey Municipal Code Title 17, creating a new chapter, 17.04Q, establishing the Downtown Residential Overlay District (DRO), creating purpose, establishment, application, bulk density, useable open space and parking space requirements for the DRO, and read by title only, seconded by Teevin. Thea, wants all to know that she is in support of this new overlay district, but wants to see the additional property added at some point in the future. Motion passed with roll call vote. Cooley, yes. Thea, yes. Teevin, yes. Burke, yes.**

**Cooley moves to adopt and conduct the first reading of Ordinance No. 1239 to amend the zone district map for the City of Hailey by adding the Downtown Residential Overlay District as**

**shown in Attachment A of Ordinance No. 1239, and read by title only seconded by Teevin. Motion passed unanimously.**

**Burke conducts the first reading of Ordinance No. 1238, by title only.**

**Burke conducts the first reading of Ordinance No. 1239, by title only.**

Burke, she hasn't done enough research to know whether the bump out—(referring to Williamson's property)- shouldn't be included but she doesn't want to start spot zoning. She feels Council hasn't done its best work. She needs to do more research. Burke wants to make sure council does their best and doesn't feel their work is done.

**6:33:57 PM Burke motions to direct staff to consider the boundaries of the Residential Overlay in Old Hailey and provide us with further information to initiate text amendment, seconded by Thea. Motion passed unanimously.**

*PH 296 Consideration of a Preliminary Plat Application for Galena Condominiums (Myrtle Mixed Use), represented by Galena Engineering, on behalf of Peter Heekin, for a mixed-use building, located at 516 North Main Street, (Lots 11, 12 and N. 25' of Lot 13, Block 64, Hailey Townsite), to be resubdivided into two (2) commercial units and five (5) residential units. This project is located in the Business (B) Zoning District. ACTION ITEM*

6:37:13 PM Davis summarizes. This preliminary plat application is for approval of a 7-unit condominium project on the corner of Myrtle and Main St. It was approved through Planning and Zoning in May 2017. Now we are condominiumizing this project. The project contains two commercial units, two short-term units, and three residential units. Sean Flynn with Galena Engineering is present to answer questions. Thea, asks for tour of the building, it is a beautiful building.

6:39:21 PM Council President Burke opens for Public Comment.

No public Comments.

6:39:59 PM Teevin asks a question, doesn't understand how the procedure works. They've been granted the ability to build the condominiums but now? Thea steps in and says she knows what Teevin is asking as she had the same question. Simms answers Teevin's question. We, through the Planning & Zoning design review process and building permit process, allow construction to take place. This is akin to a preliminary plat of a parcel of land to subdivide. This developer wants to sell these individual units separately titled to be able to sell those to commercial and residential buyers. Without this condominium plat they can't do that. There would be no separate titles, deed transfers to a potential owner. Thea summarizes, it's not one owner renting space. It is multiple owners purchasing the condominiums. Burke continues, they will hold the land in common that it sits on. They will be individual owners of the chunks of floorspace. Thea adds, the condominium part of it happens after the Planning and Zoning Commission goes through their process, like the Pine St Station as an example. As opposed to a building where you rent and there's one owner of the entire building and land. Teevin asks would it be different if someone built a building in a business zone

and all units were only rentals? Would the process be the same? Simms answers it would depend on what the developer's business plan was. Teevin asks if we vote this in, they would have the building and use it for business or whatnot? Dawson rephrases Teevin's question, does this condominiumization have anything to do with residential or business development? Dawson answers no, it does not. It's simply sellable property compared to property owned by an owner who rents it.

**6:43:18 PM Cooley moves to approve the preliminary plat application submitted by Peter Heekin, represented by Galena Engineering, for approval of a 7-unit mixed-use residential condominium project, Galena Condominiums (aka Myrtle Mixed Use), located at 516 North Main Street, finding that the application meets City Standards seconded by Thea. Motion passed unanimously.**

*PH 297 Consideration of First Reading of proposed Ordinance No. \_\_, an ordinance approving a previously approved vacation of public right-of-way: the vacation of a remaining portion of alley approximately 20' wide by 26' long adjacent to the south of E Cedar St between Lots 1 & 13 of Hailey Block 137 ACTION ITEM*

**6:43:56 PM** Davis summarizes. In October 2017, Council unanimously approved this vacation and adopted the Findings of Facts. Staff omitted the ordinance that goes along with it. This is presented now.

**6:45:11 PM** Thea motions to approve Ordinance No, 1240, an ordinance vacating of public right of way- 20' x 26' Alley South of E Cedar Street between Lots 1 & 13 of Hailey Block 137, conduct a first reading and read by title only seconded by Cooley. Motion passed unanimously.

**Burke conducts the first reading of Ordinance No. 1240, by title only.**

**NEW BUSINESS:**

*NB 298 Consideration of approval new liquor license for CK's Real Food and motion to waive prohibition of selling liquor within 300 feet of a church ACTION ITEM*

**6:46:16 PM** Davis speaks. CK's has applied for a liquor license which was purchased from the Hailey Hotel. Council needs to waive the prohibition of sale of liquor within 300 feet of a church. Burke added that Father Justin Brady signed a letter supporting the sale of liquor at CK's.

**6:47:09 PM** Cooley motions to waive state laws placing restrictions on the sale of liquor within 300 feet of a school or church property at 320 South Main Street, CK's Real Food restaurant noting a letter of approval and support from Father Justin of St. Charles Church seconded by Thea. Motion passed unanimously.

*OB 299 2nd and/or 3rd Reading of Ordinance No.\_\_\_\_\_, amending Chapter 13.02 and 13.04 of the Hailey Municipal Code, to establish methods of calculating water user fees and water connection fees for community irrigation systems ACTION ITEM*

**6:47:42 PM** Burke conducts the second reading of Ordinance No. 1237, by title only.

**STAFF REPORTS:** Staff Reports

Council Reports

Mayor's Reports

**EXECUTIVE SESSION: Real Property Acquisition under IC 74-206 (1)(c)**

Simms announced, no executive session is needed tonight.

[6:49:25 PM](#) Cooley motions to adjourn meeting seconded by Thea. Motion passed unanimously.

---

Fritz X. Haemmerle, Mayor

---

Mary Cone, City Clerk