

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD OCTOBER 16, 2019
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at _____ P.M. by Mayor Fritz Haemmerle. Present were Council members Jeff Engelhardt, Kaz Thea, Pat Cooley, and Martha Burke. Staff present included City Attorney Christopher P. Simms, City Administrator Heather Dawson, and City Clerk Mary Cone.

[5:29:58 PM](#) call to order by Mayor Haemmerle

Open Session for Public Comments:

No public comments.

CONSENT AGENDA:

[CA 378](#) Motion to approve Treasurer’s report for the month of September, 2019 **ACTION ITEM**

[5:30:30 PM](#) **Burke moved to approve the consent agenda item, seconded by Thea, motion passed with roll call vote. Engelhardt, yes. Burke, yes. Cooley, yes. Thea, yes.**

MAYOR’S REMARKS:

[5:30:54 PM](#) Mayor Haemmerle displays a map, water main break occurred to all south woodsides from Winterhaven south. Possibility of lifting the water boil advisory if clean after 24 hours. Stay tuned. We have posted information on our website and facebook, code red alerts have been issued to those in the affected area, and a press release was issued. These things happen.

[5:32:33 PM](#) Haemmerle also mentions, in anticipation of large winter season ahead of us, he has noticed a lot of campers close to the paved portion of roads, the City will be actively tagging these between Nov. 1 and May 1st, the rule is that they cannot be within 6 feet of road way. We have been active this week, towing vehicles, we will not allow citizens capturing these alleys or right of way areas. Please remove trailers, and clear all alleyways.

[5:34:33 PM](#) Mayor displays picture of recently added art work on Myrtle Street, funds from projects - 1% percent for art, installed metal sheep. This was installed last week, with a ribbon cutting on the corner of Myrtle and Main Street.

[5:36:17 PM](#) We still have \$224, 000 pathways for people funds.

PUBLIC HEARINGS:

PH 379 Consideration of Ordinance No. _____, proposing a Second Amendment of the Development Agreement with FaPo, LLC, regarding the area referred to as the Forest Service Block Lots 4-8

*and 13-20 of Block 20, Hailey Townsite) and property located at 401 and 407 S. River Street.
(Continued from October 10, 2019) ACTION ITEM*

[5:37:00 PM](#) FaPo, has proposed modifications, page 14 of packet, Lisa Horowitz will cover the issues. Mayor Haemmerle identifies the issues being discussed tonight, if comments stray, comments will be stopped by Mayor Haemmerle. Picture of area being discussed is shown to room. [5:38:29 PM](#) In the current Development Agreement, the barn structure, must remain, FaPo wants to remove it to enable parking for their existing building. 3 buildings are subject to private property rights, they can do what they want with these. [5:39:36 PM](#) The owners hope is to move all 4 buildings and relocate them. [5:40:03 PM](#) Mayor comments, we know these have historical significance to the area and want to preserve them.

[5:40:23 PM](#) Lisa Horowitz, turns to applicant for their presentation.

[5:40:48 PM](#) Jeremy Lange with Engel and Assoc represents FaPo the owner, the options we are considering and what we are proposing. The original developers, proposed 4 large buildings with underground parking. Building on the existing property was finished in 2011, at 314 River street. The building is at 33% occupancy, and the owner wants to rent the building. There is not enough parking for the tenants. Talking to prospective tenants and current tenants, Lange displays current development agreement, this building was allocated 49 parking spaces, 9 of them are by Smoky Bone restaurant (at the NW corner of Main and Pine Streets). There is a fence around the parking and the spaces are used solely by Smoky Bone employees. This reduces our parking to 40 spaces, in reality, down another spot because of handicapped parking, we had an engineer look at parking, and we don't have 39 spots, current parking for 67% of building has 7 spaces left, definitely an issue. We want to come up with a long-term parking solution.

[5:46:19 PM](#) Initially the city asked us to look at the 2 houses across the street, but learned that zoning would not allow it and, would have to have 20-foot setbacks and would not provide enough parking to make it worth it. And then, the 301 S Main building, we have a lease hold interest in that building, it is leased through the end of 2020 (to Four Seasons Spa and Pool). Lange summarizes, trying to put a plan in place that makes sense long-term. [5:48:52 PM](#) Sage Bookkeeping has another 4 years on another building. Progressive Behavior Systems has a lease on the former event center building until the end of this year. [5:49:17 PM](#) Mayor asks if they anticipate renewing that lease, Lange replied yes they do. [5:49:24 PM](#) Lange the general parking plan presented to Engel and Associates by the City, their engineer looked at it, and in reality, can't have some parking on some of the area, as it is not feasible to grade for 3 spots. Want a long-term solution. Another option, [5:51:11 PM](#) is to have on street parking, current parking spaces are used by the current tenants. No enforcement of street parking spaces. [5:51:50 PM](#) Lange 306 and 308 River Street, the original idea for the pole barn building, [5:52:55 PM](#) Lange responds to Mayor Haemmerle's comment. Lange [5:53:48 PM](#) comments on the concerns for the tenant in the pole barn, the Sustainability Center is moving to a new location in Hailey. Lange displays parking options, the proposed tenants are medical doctors, they need a drop off area, they will take up the entire first floor of the building and the surgery center needs a drop off zone. [5:55:23 PM](#) Lange continues, the existing Development Agreement, states the warehouse is the only building that can be preserved, they want to find a way to work with city and move all of the structures, they can be donated to a non-profit, and the other 3 buildings would be

available later, in addition to the donation of the buildings, the owner would contribute to relocation costs, \$15,000 per building, totaling \$60,000. Lange, we are looking at this as an opportunity to solve multiple problems. [5:57:28 PM](#) Lange, we are proposing to create a parking lot of 24 spaces, improve River Street parking, and allowing protection of the historical structures - by donating to the city or a non-profit.

[5:58:37 PM](#) Mayor Haemmerle asked, 309 and 315 River Street, parking near Smoky Bone. How does current Development Agreement restrict this area? Lange responds, there are no restrictions. [5:59:40 PM](#) Lange, reads paragraph 3 of Amended Development Agreement, buildings are contingent on suitable markets....”, page 2 of Amended Development Agreement – and page 38 of packet.

[6:00:25 PM](#) Mayor Haemmerle, how is that defined? Lange answers, owner would argue, suitable market doesn't exist any longer. And asks if they want to remove the buildings from the agreement and confer to the area as a zone. Lange confirms, yes.

[6:01:01 PM](#) Lange responds, if those buildings were no longer needed by the owner, then notice would be made and wait 120 days, and relocate. [6:02:07 PM](#) Mayor Haemmerle asks a question, why 120 day timeframe. Lange, this is what is set by the Hailey Historic Preservation Commission on demolition of historic structure, ordinance

[6:02:50 PM](#) Haemmerle, states the challenges of the 120 day notice period and the long-term leases of the current tenants in several buildings, can we change this timeframe?

[6:03:10 PM](#) Matt Engel interjects, and addresses Mayor Haemmerle's concern, do you want the trigger date at the end of the latest lease expiration?

[6:05:14 PM](#) Haemmerle make more sense if it is 120 days after expiration of lease.

[6:05:33 PM](#) Thea asked a question about the lease expiration, Lange responds. Haemmerle adds, we need better language to describe that timeframe.

[6:06:30 PM](#) Cooley, the Sustainability Center was offered a 6 month notice, why not give the city the same time. Lange responds. Mayor asks, can you work on time frame, we want to find a place for all of them, want a timeframe that will work better.

Lange, hands over discussion to Harry Weekes of the Sage School, [6:08:31 PM](#) when we started the Sage School we worked with Jon McGowan and leased space. We reached out to Engel and Associates regarding the buildings to use. The school would like to honor the sense of place. Our Master Plan, in 2 years, will be moving Sage School to Quigley Canyon, we have a barn building planned, and a greenhouse building. Our intent, if there are structures we can reuse, we will. Area footprint is 3800 square feet building is 3600 feet, the Sustainability Center would fit in the other space. What would it take to move them, bring them up to code, how do we use them as a school? [6:11:30 PM](#) On our campus we have options, level of code, may use for parking, how could we keep these buildings together? Our intent would be to have these buildings used by the community not just school buildings. We would have a commercial kitchen, so that anyone can use it. We are figuring out timing, and cost for them, we are excited about the exploration and repurposing of them. [6:13:41 PM](#) Burke asks timeline, 1st grant, able

to hire an architect, and it would be 2021 before we need it. If barn was available sooner, then we could store on property but not the site.

[6:14:47 PM](#) Paul Kenny speaks and represents the potential tenants, they are surgeons from Montana, and also include local surgeon, Dr. David Verst. Their costs if able to open a business in this location, would be 1/3 cost of St. Luke's cost. The 2nd floor could likely be occupied by these surgeons too.

Public comments:

[6:17:01 PM](#) Haemmerle sets rules for comments, asks all to confine comments to the discussion topics not the importance of saving the historic structures as we all agree with this fact.

[6:17:19 PM](#) Susan Giannettino, Hailey resident, forest service employee and Hailey Arts and Preservation Commission (HAPC) member speaks, she can't disagree with the Sage School plans. Small towns start losing character fast when they tear down historical structures, the whole is more than the sum of the parts. We want walkability we have a lot of businesses that have no or limited parking. Giannettino worked in Boise, parking is important. Does this center need to be in the center of Hailey? Would it not benefit hailey to look at other options?

[6:20:26 PM](#) Mayor Haemmerle asks Giannettino a question, about owners private property rights, what is to stop the owner from tearing down these buildings right now?

Giannettino, [6:21:26 PM](#) encourages council to think about what they want to do with this area, and argues, parking should not be a priority.

[6:22:20 PM](#) Frank Rowland, a member of HAPC speaks on behalf of the Arts and Historic Preservation Commission. The Commission is placing a high priority on maintaining the integrity of the forest service buildings. We want to find a place that makes sense, to place in similar context as they are now, the Sage School is nice but we want to place somewhere closer to downtown, and feel that it would take some time to find a spot. We want to do this right it may take time, for community use and perhaps the city to become a steward of the use of them. Rowland invites all to become involved in this process.

[6:25:25 PM](#) Nancy Linscott, Hailey citizen comments, these buildings are able to be moved, they moved a building personally, she contacted the company that relocates buildings, this is low hanging fruit, cost is another story.

[6:26:09 PM](#) Denise Ford Hailey resident, gives a background on 120 days timeframe. At the time the Historic Preservation Commission was considering this, we were just beginning this commission, they had heated public meetings, 120 days was a compromise, many buildings were not useable, but many were and the Commission wanted time to document the historical info for a building, time frame was a compromise, but it is not enough time for moving a building. In the interest of time, she supports and agrees with Frank Rowland, the Forest Service history is important and she worked in the building. Would like to see the buildings set in similar format, likes Weekes offer to take buildings and also appreciates the owners offer to help with relocation building costs.

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October 16, 2019

No more public comments.

No rebuttal.

[6:29:34 PM](#) Haemmerle, asks Engel have you thought about the other 3 buildings, Engel, asked do you have any thoughts. Haemmerle, 120 timeframe is not fair. [6:30:38 PM](#) Engel is hopeful that we can work through this. [6:31:00 PM](#) Haemmerle the 120 day period ends in April 2020, need more time, needs to be in the agreement. [6:31:58 PM](#) Lange clarifies, Haemmerle, can work with the 2023 date at the end of the lease/hold entrance.. [6:32:58 PM](#) Haemmerle the barn is different.

[6:33:36 PM](#) Cooley, what is timeframe that is looking at, with the barn. Lange, that notice would not be given until Dec. 15, 2019, 120-day period ends in April, start on parking lot at the end of winter.

[6:35:27 PM](#) Burke throws out a date what about 240 days from Dec. 15, 2019?

[6:35:43 PM](#) Haemmerle until then make be able to open up spaces.

[6:36:21 PM](#) Cooley 120 days not workable time from Dec 15th

[6:36:43 PM](#) Engelhardt, has a question for Weekes, what level of confidence do you have that you can do this? Weekes, are in the discovery of this process through winter, we may know within 3 months. [6:37:52 PM](#) been talking to a lot of people, you may be the only one that can pull this off. Engelhardt is inclined to hold off on this for awhile. Lange responds to Engelhardt's question. Engelhardt feels you have an obligation, if FaPo would move all the buildings then he would agree to this now. [6:42:45 PM](#) Engelhardt will the proposed tenant be willing to take less spaces?

Council deliberation.

[6:43:48 PM](#) Mayor Haemmerle points to the 3 issues contained on page 14 of proposal, number 1, is in favor of that item. 2nd item, he would support that subject to agreement on the 3 forest service buildings. 3rd, in favor of this subject to recognition of private property rights, understanding there is no limitation currently, the owner can tear them down if wants to, give people adequate time to come up with a plan, this notice not enough time. Can live with a short period on barn but may need more time than ending at April 15, 2020 [6:45:46 PM](#) then talk to us on the other 3 buildings. Maybe in 2 years you could give us a notice. April 15 on barn and triggering event on the 3 buildings.

[6:47:02 PM](#) Cooley, trigger event, if business failed then date moves up, maybe up sooner.

Cooley to protects us if something fails.

[6:48:01 PM](#) Engel, clarifies what Haemmerle stated, Haemmerle, that works gives us time to find someone.

[6:49:01 PM](#) Engel and Kenny will check back with the tenants and get back with the city. Hoping to get guidance to move this down the road. Issue of the dollars?

[6:50:14 PM](#) Burke, commends Rowland and AHPC. Burke knows the community wants these buildings to remain. Please give us another date in the spring to move the building. When the trigger starts, 2023, we will know, if we have that guarantee, we can make it work between now and then. Burke understands that they want to preserve clients. Can't park in the street because it's residential.

[6:53:11 PM](#) Engelhardt suggests maybe make a donation to cover cost of moving the building.

[6:53:29 PM](#) Thea what is minimum parking to start. [6:53:44 PM](#) Kenny answered, 26 spaces is minimum, would like to separate the main street buildings and the barn, have been working on this for 9 months, have had hurdles, looking at spaces in Bellevue. This is perfect for their usage.

[6:55:01 PM](#) Thea would like to see what the HAPC could come up with. Sage school second. Need more time to figure out. But figure out agreement in the meantime. Not sold on so much parking. Thea agrees with Giannettino, not looking to turn River street into business area. But don't want to see them to go to Bellevue, would like to see these buildings moved. Haemmerle summarizes, Thea responds. [6:57:20 PM](#), wants to hear the trigger date, agrees with Haemmerle on the date.

[6:58:16 PM](#) Cooley, would like realistic numbers on the cost to move the buildings.

[6:58:35 PM](#) Burke, when people move buildings, it is cheaper to move as individual than as a government. Haemmerle, that is an important point, money goes to the entity that is getting building the, a good deal. [6:59:36 PM](#) Haemmerle, feels the issue is 2023, 3 buildings on Main, April 15th won't work on garage. July 1st would be a good date in his mind. [7:00:13 PM](#) Engel will get back to them on the date. [7:00:27 PM](#) Haemmerle, giving them the buildings at no cost and \$15,000 towards the cost of the move.

[7:01:01 PM](#) Thea, we are talking about a town square, is this something we want to consider a bond. Haemmerle interjects good idea, we have 3 years to do that.

[7:02:09 PM](#) Haemmerle asks for a motion to date certain.

[7:02:18 PM](#) Engel, reiterates conversation, and is okay with moving to a date certain.

[7:02:56 PM](#) Haemmerle asks Linscott, cost to move to Quigley Canyon may be between 30 and 60 k

[7:03:36 PM](#) Engel would like to come back as soon as possible to show progress to prospective tenant.

[7:03:57 PM](#) Horowitz next date is Nov 12 or special meeting date.

Dawson looks at calendar, [7:05:09 PM](#) Oct 24th Thea is gone.

[7:05:32 PM](#) Cooley moves to continue item to November 12, 2019, seconded by Burke, motion passed with roll call vote. Engelhardt, yes. Cooley, yes. Burke, yes. Thea, yes.

Room clears [7:06:32 PM](#)

NEW BUSINESS:

NB 380 Consideration of Area of City Impact (ACI) questions of the governing Board pursuant to Idaho Code Section 67-6526(e) ACTION ITEM

[7:06:54 PM](#) ACI, Horowitz, we have initiated the process to amend the ACI with county. Governing board, City Council gives list of questions to Planning and Zoning Commission, staff drafted a few questions to consider, in staff report, areas, 4-8 came up with in discussions with attorney and city engineer. Their recommendation will have map and will answer these questions. Cooley can this map be good detail? Horowitz yes. [7:09:03 PM](#) Thea, asks, it splits Peregrine Ranch can we encompass all of it so as not to split properties? [7:09:49 PM](#) Horowitz contiguous map is good idea.

[7:10:01 PM](#) Haemmerle suggests to consider taking all of that property in and then look at uses on map. Atlantic Aviation, west of there, what uses are compatible. Cooley asks, should we try squaring off the end of the runway? Haemmerle concurs. [7:10:51 PM](#) Thea asks clarification, dotted lines on map? What are they looking at, Haemmerle, include all shaded areas from runway west. [7:11:46 PM](#) Haemmerle adds, Thea good point on getting all of Peregrine Ranch.

[7:12:09 PM](#) Thea likes the proposed questions as does Haemmerle. [7:13:02 PM](#) Horowitz comments similar to the issue of the property known as Sweet Potato Ranch.

Haemmerle, comments, look at the ACI and how far you want to draft the lines.

[7:13:25 PM](#) Thea that is a really good point, when you make the boundaries it makes sense to consider.

60 days is good timeframe to come back to council Haemmerle. Horowitz there is a Brian Yeager component here as we need a GIS map, Chris Corwin is already working on a parcel map for Horowitz.

[7:15:12 PM](#) Haemmerle comments, and west side of runway, north and south. Horowitz has notes.

[7:15:43 PM](#) Cooley makes a motion to move forward with Planning and Zoning Commission questions on 102. and return to council in about 60 days, Thea seconds, motion passed with Roll call vote, Engelhardt, yes. Cooley, yes. Burke, yes. Thea, yes.

STAFF REPORTS:

[7:16:28 PM](#) Horowitz, the city has received an appeal for the bus barn decision, are looking at first meeting in Dec or special meeting and looking for feedback on dates from council. [7:17:14 PM](#) Haemmerle first December week looks good.

[7:18:11 PM](#) Thea could call in if necessary.

[7:18:28 PM](#) Burke moves to adjourn, seconded by Cooley, motion passed unanimously.

Fritz X. Haemmerle, Mayor

Mary Cone, City Clerk