AGENDA ITEM SUMMARY

DATE: March 28, 2011   DEPARTMENT: Public Works   DEPT. HEAD SIGNATURE: 

SUBJECT: Preliminary Facility Assessment - energy audit of city owned buildings.

AUTHORITY: □ ID Code □ IAR □ City Ordinance/Code (IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:
A preliminary facility assessment of the park building, city hall, library, wastewater treatment plant and associated buildings, and street shop was conducted by McKinstry at the beginning of March, along with an assessment of the six (6) other governments’ buildings, who are partners in the Regional Energy Efficiency and Conservation Block Grant (EECBG). The initial assessment (see attached summary) highlights a number of facility improvement measures that have been identified. McKinstry has asked each partner to review their list and prioritize the improvements. Then, from the prioritized list, a follow-up assessment and energy model of each building is conducted to better quantify the cost savings associated with each prioritized improvement measure.

The Public Works Director, Wastewater Superintendent, Assistant Engineer, and Sustainability Coordinator have reviewed the list, which was developed with input from the occupants of each building. The identified priorities are currently the following:
- Replace City Hall’s 30 year old roof-top HVAC units.
- Install awnings on City Hall and Library
- Partial HVAC retrofit at the Library – adding two more zones.
- Seal Library door.
- Test, adjust, balance HVAC system, retro-commission building envelop at the WWTP
- Install a garage intake louver at the Street Shop.
- Test, adjust, balance and tune-up furnace and adjust thermostat settings at the Street Shop.
- Replace old furnace with high efficiency furnace at the Park building.
- Replace the old roof and install additional insulation at the Park building.
- Replace the Police Dept. lighting with high efficient lights
- Replace the Park Building lighting with high efficient lights.

Staff will present the follow-up assessment to the Mayor and Council, prior to any retrofit decisions being made. The Regional EECBG grant provides $50,000 for retrofits. The city has budgeted $100,000 as match for additional retrofits, but this amount must be used on the Fox Building.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Casele #

Budget Line Item # YTD Line Item Balance $
Estimated Hours Spent to Date: Estimated Completion Date: Phone #
Staff Contact: Comments:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

| ☒ City Administrator | ☐ Library | ☐ Safety Committee |
| ☒ City Attorney | ☐ Mayor | Streets |
| ☒ City Clerk | ☐ Planning | Treasurer |
| ☐ Building | ☐ Police | |
| ☒ Engineer | ☐ Public Works, Parks | |
| ☐ Fire Dept. | ☐ P & Z Commission | |

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:
Review the list of priorities and the attached summary. Any changes to the priorities list should be discussed and direction should be given to staff to ensure that the follow-up assessment includes all priorities.
### Facility Improvement Measure (FIM) Summary

#### Preliminary Facility Assessment

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<tr>
<td>CH Library and City Hall</td>
<td>Building Description</td>
<td>The Fox Building was originally built in 1920 and remodeled in 1993. The library which uses the first floor of the building is heated and cooled with 5 gas furnaces located in the basement. The condensers for cooling the library are located on the roof. The library is open about 10 hours per day, 6 days per week. The City Hall and police department utilize the second floor of the building. These areas are heated and cooled with 10 individually controlled roof top units. The roof top units are nearly 30 years old and use electric heat pump technology to condition the space. The City Hall is used about 9 hours per day, 5 days per week; and the police department is used 24 hours per day, 7 days per week. The 2 floors including the basement used for storage have a total of about 25,000 square feet of floor area.</td>
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<tr>
<td>CH Library and City Hall</td>
<td>Awning / Light Shelves</td>
<td>This building has a significant amount of solar heat gain through the large windows. This measure would add awnings or light shelves to reduce the solar heat gain to the space through the windows. Solar heat gain is the cause for the majority of the thermal comfort issues. This is a historic building and measures should be engineered in a way that will not impact the historic stature of the building.</td>
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<tr>
<td>CH Library and City Hall</td>
<td>City Hall Lighting Occ Sensors</td>
<td>Office areas can be a very effective location to add occupancy sensors. This measure is to add wall or ceiling occupancy sensors to turn the lights off when the space is unoccupied. The outlets do not currently have a neutral wire ran. This measure would either include occupancy sensors that do not require a neutral wire, or would include the cost to run the wire.</td>
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<td>CH Library and City Hall</td>
<td>City Hall RTU Upgrade</td>
<td>All the roof top units that provide heating and cooling to the City Hall are nearly 30 years old and approaching the end of their useful life. This measure would be to remove all the existing electric heating units and replace with gas-fired roof top units with high efficiency cooling. The cost of natural gas is currently 3 to 4 times less expensive than electricity on an energy unit basis. This measure would greatly reduce the cost of heating this building as well as reduce the maintenance costs for the older units.</td>
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<tr>
<td>CH Library and City Hall</td>
<td>City Hall RTU Upgrade ALT</td>
<td>HVAC/ TAB/ ductwork modifications. This measure would be to provide an engineered solution to fix the heating and cooling problems in this building. This includes retro-commissioning the existing units to ensure proper operation and to test and balance the air supply to ensure the proper air flow to each space. Additional work may include some ductwork modifications and/or adding transfer grilles for better airflow between spaces. There may also be opportunity to move some thermostats to provide better temperature control for the space.</td>
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<td>CH Library and City Hall</td>
<td>City Hall TAB</td>
<td>(Test, Adjust, and Balance) This measure is to have a commissioning engineer test the airflows for the distribution ductwork and balance it to ensure correct airflow.</td>
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<td>CH Library and City Hall</td>
<td>HVAC Retrofit - Complete Building</td>
<td>This measure is a complete building HVAC retrofit. It would provide both the library and city hall with ventilation air, heating and cooling. A central air handler would be installed either in the basement or on the roof. This would provide conditioned air throughout the building via VAVs. New HVAC equipment, new ducting and new controls would be installed.</td>
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<td>CH Library and City Hall</td>
<td>Lib Door Seals</td>
<td>This measure is to add door seals to close the significant gaps in the front doors.</td>
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<td>CH Library and City Hall</td>
<td>Lib HVAC Retrofit Opt 1</td>
<td>Full HVAC Retrofit. This measure would be to remove the existing HVAC system and install a new system that could adequately heat and cool the library. The existing system does not adequately condition the various areas of the library, the primary reason is that each unit conditions too large of an area that includes different heating and cooling loads in that area.</td>
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<td>CH Library and City Hall</td>
<td>Lib HVAC Retrofit Opt 2</td>
<td>Partial HVAC Retrofit. This measure would be to re-use the existing furnaces but add 2 more zones by splitting the furnaces that are currently “twined” together. This measure would likely require new remote condensing units and would require 50% new ductwork for proper distribution.</td>
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<td>CH Library and City Hall</td>
<td>Lib HVAC Retrofit Opt 3</td>
<td>This measure would be to provide retro-commissioning and test and balance services to the existing system to better suit the building’s needs. This measure would include moving the existing thermostats to a more central area to better control the temperature of the whole area.</td>
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<td>CH Library and City Hall</td>
<td>Police Station Lighting Retrofit</td>
<td>This measure is to replace the twenty 2x3'2 U-tube fixtures in Police Station. Replacement bulbs are difficult to find and there are more efficient lighting fixtures available.</td>
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<td>CH Parks Department</td>
<td>Building Description</td>
<td>This building was constructed in 1974 and is approximately 2,000 square feet. It has an old gas furnace for heating that works well. The areas are not always occupied when the maintenance staff has to fix something at the other buildings.</td>
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<tr>
<td>CH Parks Department</td>
<td>Furnace Retrofit</td>
<td>This furnace supplies the space with enough heat, but is old and inefficient. The proposed solution is to replace it with a high efficiency gas furnace.</td>
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<tr>
<td>CH Parks Department</td>
<td>Lighting Retrofit and Occupancy Sensors</td>
<td>The lighting in this building uses outdated technology and is inefficient. The proposed solution is to install T-8 lighting throughout the building for increased efficiency and add occupancy sensors to turn the lights off when the different garages are unoccupied.</td>
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<td>CH Parks Department</td>
<td>Replace Roof</td>
<td>The roof is old and needs replaced. This measure is to replace the roof and add insulation to reduce the amount of heat lost during the winter.</td>
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## Facility Improvement Measure (FIM) Summary
### Preliminary Facility Assessment

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<tr>
<td>CH Wastewater Treatment Facility</td>
<td>Demand Control and Strategic Emergency Energy Plan</td>
<td>The Wastewater Treatment Facility does not currently have an emergency energy plan in place. This measure is to engineer a plan that identifies what does and does not need to run in the event of power loss. Also, control strategies would be engineered that would reduce the overall electrical demand charges.</td>
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<td>CH Wastewater Treatment Facility</td>
<td>Fix Condensation Issues</td>
<td>There is currently a condensation issue where condensate is leaking from one of the furnace exhausts onto the ceiling and in the furnace room. This measure is to identify and fix the source of the leak.</td>
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<tr>
<td>CH Wastewater Treatment Facility</td>
<td>Networkable Thermostat Installation</td>
<td>This measure is to provide and install thermostats that will network into the existing control system, so that building space temperatures can be programmed and adjusted through the existing control system.</td>
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<tr>
<td>CH Wastewater Treatment Facility</td>
<td>Office Building TAB</td>
<td>(Test, Adjust, and Balance) This measure is to provide test and balance services for the two furnaces that heat and cool the office building. This will ensure the proper air flow to each diffuser, which will reduce cold/hot spots in the building.</td>
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<tr>
<td>CH Wastewater Treatment Facility</td>
<td>Replace Dome</td>
<td>This measure is to demo the existing inefficient dome that is failing and replace it with a building that will insulate better and hold heat more efficiently.</td>
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<tr>
<td>City of Halley</td>
<td>Stop Light Retrofit</td>
<td>This measure is to replace the existing stop lights with efficient lights. Replacing the lights will reduce the energy consumption, saving money on the overall utility bills.</td>
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<tr>
<td>City of Halley</td>
<td>Water Meter Retrofit</td>
<td>This measure is to install digital, accurate water meters. New meters will help identify leaks and missing gaps in billing quantities. This is a green measure by reducing waste and cash flow positive if there are unbilled gallons of water.</td>
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**Definitions:**

- **Cash Flow Positive:** If financed, the FIM would have positive cash flow. I.e. The savings would exceed the loan payment.
- **Cash Flow Neutral:** If financed, the FIM would have neutral cash flow.
- **Life Cycle Cost Effective:** The savings would produce a zero net present value over the FIM's service life.
- **Capital Need:** The FIM is necessary to solve problems in the facility.
- **Life Safety:** The FIM is necessary to correct an issue that impacts the life safety of the occupants.
- **ADA / Code:** The FIM will help the building meet ADA or code requirements.

Confidential and Proprietary
AGENDA ITEM SUMMARY

DATE: March 28, 2011  DEPARTMENT: Community Development  DEPT. HEAD: 

SUBJECT: Ordinance 1055 sunset June 9, 2011; review of any issues since adoption.

AUTHORITY: ☐ ID Code ________ ☐ IAR ________ ☐ City Ordinance/Code ________
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:
The Council adopted Ordinance 1055 allowing up to 3 chickens (specifically hens) per residential lot and prohibiting roosters. Standards pertaining to chicken coops were also adopted. Ordinance 1055 included a sunset clause that would cause the provisions of Ordinance 1055 to expire unless the Council adopts a new ordinance. The purpose of the sunset clause was to provide the Council the opportunity to review and assess any negative impacts resulting from the passage of the Ordinance.

Since May 2010 we have received two emails regarding chickens - one complaint and one complementary. One violation letter was sent in response to the email complaint. In early March of this year I received complaints from two neighbors of 517 Bullion Street regarding a rooster crowing. I have been in phone contact with the owner regarding the issue. No other complaints have been received or have any other violations documented regarding the impact of residents keeping hens in their yards.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Casele #
Budget Line Item # __________________________ YTD Line Item Balance $ __________________________
Estimated Hours Spent to Date: _______________ Estimated Completion Date: _______________
Staff Contact: __________________________ Phone #: __________________________
Comments: __________________________

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)
☐ City Administrator ☐ Library ☐ Safety Committee
☐ City Attorney ☐ Mayor ☐ Streets
☐ City Clerk ☐ Planning ☐ Treasurer
☐ Building ☐ Police __________________________
☐ Engineer ☐ Public Works, Parks __________________________
☐ Fire Dept. ☐ P & Z Commission __________________________

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Direction from the Council is requested regarding whether to draft an Ordinance to reinstate the provisions of Ordinance 1055 without a sunset clause.

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator __________________________ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:
Date __________________________

City Clerk __________________________

FOLLOW-UP:
*Ord./Res./Agmt./Order Originals: Record  *Additional/Exceptional Originals to: _______________
Copies (all info.): __________________________ Copies (AIS only)
Instrument # __________________________

- 159 -
Oh good, that's great news!!! We are so excited to transport our hens over there! :-) 

On Wed, Sep 29, 2010 at 9:40 AM, Mariel Platt <mariel.platt@haileycityhall.org> wrote:

Only one nuisances call so far, since May, and there are quite a few people with chickens now. However, I have no idea how many because we aren't requiring a permit for them.

Mariel Platt LEED AP
Planner
City of Hailey
(208) 788-9815, ext. 24

From: Jennifer Fox [mailto:pdxchickenlady@gmail.com]
Sent: Wednesday, September 29, 2010 10:29 AM
To: Mariel Platt
Subject: Re: chickens!

Oh Great!!! We are looking at houses....

How has the chicken deal been? Lots of people getting them? Nuisance calls?

Cheers!
~Jennifer

On Wed, Sep 29, 2010 at 9:21 AM, Mariel Platt <mariel.platt@haileycityhall.org> wrote:

Hi Jennifer,

There are no specific zones, but it is only permissible for single family dwellings. The following link is to additional information regarding the chicken ordinance:

http://www.haileycityhall.org/planning/CurrentIssues.asp#Ord

be sure to scroll down the page until you see the section on Chickens.
Cheers,

Mariel Platt LEED AP
Planner
City of Hailey
(208) 788-9815, ext. 24

From: Jennifer Fox [mailto:pdxchicklady@gmail.com]
Sent: Monday, September 27, 2010 4:41 PM
To: Mariel Platt
Subject: chickens!

Hi Mariel!!!

I heard you can now have chickens in Hailey! Yay! Is the all of Hailey or only specific places? We are looking at home's to move into and saw something about "zones"...Do you have a map that shows the hen friendly zones? Thanks!!!

Is it going well with the chickens? are there lots of complaints?

Thanks!

~Jennifer Fox
Gloria,

Thank you. I will drive by there today. Hopefully it is obvious that the chickens belong to the corner property owner. If so, the Planning Department will begin the enforcement process.

Mariel Platt LEED® AP
Planner
City of Hailey
(208) 788-9815, ext. 24

From: Gloria Carlton [mailto:gloria@syskylan.net]
Sent: Saturday, September 11, 2010 10:14 PM
To: Mariel Platt
Subject: RE: chickens - FYI

Hi - this afternoon, at 5:54 pm, I saw the same (?) two white chickens loose out by the street at the same corner in the same yard.

From: Mariel Platt [mailto:mariel.platt@haileycityhall.org]
Sent: Friday, September 03, 2010 9:26 AM
To: Gloria Carlton
Cc: Heather Dawson
Subject: RE: chickens

‘Hi Gloria,

Thank you for the information and comments. I copied the City’s Administrator on this email so she is aware of the issue. I have also added your email to the file, which will be reviewed when the ordinance allowing chickens is up for renewal next spring. In the meantime, do you know which property has chickens that are not being contained on the property? If you do, the City can formally enforce the requirements to ensure that this doesn’t continue (chickens on the loose and in the street).

We currently don’t have any chicken waste regulations. This is something we could discuss and possibly add to the ordinance. If you don’t mind calling me or emailing me your phone number so I can get more information from you and get a better idea about what your concerns are; it will help me address the issue if we add it to the ordinances.

As for animal control persons, the Police Department is currently undertaking this effort. Please feel free to call the police dept. if you have animal control complaints. You can call me if you have any complaints related specifically to chickens and either myself or the Police Department will make sure that the issue is addressed and handled in accordance with the City’s requirements and laws.

Mariel Platt LEED® AP
Planner
City of Hailey
(208) 788-9815, ext. 24
From: Gloria Carlton [mailto:gloria@svsylan.net]
Sent: Thursday, September 02, 2010 12:23 PM
To: Mariel Platt
Subject: chickens

Hi - I just have two comments regarding chickens in residential yards.

First of all, I don't see any stipulations regarding mandatory cleaning up after the chickens, and wonder if it won't be just like our dog laws, that many people don't care to follow and so don't. Chicken waste smells worse than dog poop.

My other comment also concerns the law requiring the chickens to be confined to their yards, since I have already had to slam on the brakes, to avoid running over a chicken in the street on Woodside Blvd.

Hailey needs an animal control person that will enforce our animal control laws.

Gloria Carlton
841 Edridge Dr.
Hailey
September 15, 2010

Bruce and Cindy Hart
PO Box 674
Hailey, ID 83333

Dear Bruce and Cindy:

The City has received complaints that the residence at 811 Sunrise Drive has an excess of the maximum number of hens allowed in Hailey and that the hens are not confined to the property boundaries at all times. The following requirements, specified by Section 7.1.10 of the Hailey Zoning Ordinance, pertain to keeping hens in Hailey:

Lots with Single Family Dwellings are allowed up to three (3) hens (roosters are prohibited), for Urban Agriculture purposes only, provided the following Chicken Coop requirements are met:

a. A predator-resistant Chicken Coop is provided which shall include, but is not limited to:
   1. A roof or cover that fully encloses the coop.
   2. Construction made of sturdy and durable materials that prohibit predator access.
   3. A door or opening to the coop that can be secured shut.

b. Any Chicken Coop shall be located in the rear yard only and is subject to the setback requirement for the zoning district in which the lot is located.

c. The Chicken Coop or the property must be fenced in some manner that the hens are confined to the boundaries of the property.

Please take any necessary precautions to reduce the likelihood of further complaints and claims of nuisances by confining the hens to the property and limiting the number of hens kept to three (3), as specified by the above requirements.

If you should have any questions, please do not hesitate to contact me at 788-4221, ext. 24.

Thank you in advance for your cooperation.

Respectfully,

Mariel Platt
Planner
AGENDA ITEM SUMMARY

DATE: 3/28/11 DEPARTMENT: Administrator DEPT. HEAD SIGNATURE: Heather Dawson

SUBJECT
Draft Use Agreement with the Sawtooth Rangers for Arena use for their Days of the Old West Rodeos, 2011-2013

AUTHORITY: □ ID Code □ IAR □ City Ordinance No. 840

BACKGROUND:
In early January, the Hailey City Council discussed the attached Outline for a potential 3-year Use Agreement with the Sawtooth Rangers. City staff has met with members of the Sawtooth Rangers, and the city attorney has drafted the attached Use Agreement.

The draft lease was sent out to the Rangers, but as of packet production deadline, we have not heard from them as to whether or not it is acceptable to them.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:
Budget Line Item # Annual Line Item Amount

The city council expressed, in their January discussion, that use of the arena should pay for itself in sufficient amount to also pay for maintenance and depreciation of the arena.

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:

City Attorney Clerk / Finance Director Engineer Mayor
P & Z Commission Parks & Lands Board Public Works Other

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:
Discuss and adopt the Use agreement, following discussion with the Sawtooth Rangers.

FOLLOW UP NOTES:
Agreement Outline with the Sawtooth Rangers —
as presented to the Hailey City Council on January 10, 2011

Mutual Goal: To continue to provide a successful 4th of July Rodeo event in the new facilities

Term: An initial three year contract
Both the City of Hailey and the Sawtooth Rangers admit that the costs and means to maintain and efficiently operate the arena and its new facilities, as well as the rodeo event, won’t be known until after at least the first year or two. It benefits both the city and the Rangers to have an initial adjustment period of three years. At the end of the term, both parties can reassess and renegotiate.

Rates:
The Rangers agree to pay the same daily rates as all other event promoters. In addition, because they have historically donated proceeds above the costs of their event to organizations such as the Hailey Lions Club, the Blaine County Senior Center, 4-H groups, and scholarship funds, they will discuss formalizing potentially contributing extra proceeds to the long-term maintenance needs of the arena, once those have been established.

Right to use the facilities:
- For the first three years, the arena is reserved for the Rangers’ exclusive use for the week or so needed for the 4th of July rodeo events. The Rangers need to let the city know the specific dates as soon as possible.
- No other professional rodeo event will be able to book the arena for the first three years.
- Within six weeks after the rodeo event, staff and the City Council will review the event for compliance with performance standards. If the event did not have or create any problems, then the Rangers can be guaranteed use of the arena for the following year’s 4th of July Rodeo.
- Suggested initial Performance Standards:
  - event was well-attended
  - event was well advertised and promoted
  - facility is left in a good condition
  - event was well organized
  - event did not present any issues for police or emergency services, or with traffic and parking

Mutual Aid and Benefits:
The 4th of July Rodeo is a community signature event, and as such, needs to be better promoted by the city, the Chamber, and the Rangers.

The Rangers are pursuing a website that could sell reservations and tickets. Both the Chamber and the city can provide links to the Rangers’ site. A three-way partnership should be established that utilizes the Chamber’s marketing expertise to promote the rodeo.

The Rangers agree to contribute some of the proceeds from the rodeo event to a maintenance fund for the arena. The city’s goal is to build up a maintenance fund for the arena that will help the facilities be self-sustaining.

It is important to emphasize the positive aspects of the partnership between the City and the Sawtooth Rangers, and to recognize the many community benefits that come from the 4th of July Rodeo.

Escape Clause: If it is not working, the agreement should be able to be severed by either party.
USE AGREEMENT

This Use Agreement ("Agreement") is made this ___ day of __________, 2011, by and between CITY OF HAILEY, a municipal corporation ("City") and SAWTOOTH RANGERS RIDING CLUB, INC., an Idaho non-profit corporation ("Sawtooth").

RECITALS

A. The City is a municipal corporation and political subdivision of the State of Idaho. Richard L. Davis is the duly elected and acting mayor of the City of Hailey.

B. Sawtooth is a duly organized and operating non-profit corporation in the State of Idaho. William Bobbitt is the duly elected and acting president of Sawtooth. By resolution, the president of Sawtooth is authorized to execute this Agreement.

C. City owns real property located at ____ Main Street, Hailey Idaho, a portion of which is being developed as an outdoor multi-use arena, as depicted on attached Exhibit "A" ("Arena"). The City intends to complete the Arena before the end of June, 2011, so the Arena will be available for the annual 4th of July rodeo in 2011.

D. Under the Equine Activities Immunity Act (Idaho Code §§ 6-1801 et seq.), the City and Sawtooth are entitled to certain immunity for activities within the Arena. The parties acknowledge that the City will not provide equipment or tack during the Events, as defined hereinafter, and is not responsible to determine whether a rodeo participant is able to safely engage in activities or safely manage animals during the Events or whether the animals are able to behave safely with the participants during the Events.

E. Subject to the terms and conditions set forth herein, City is willing and agrees to allow Sawtooth to use the Arena and Sawtooth is willing and agrees to use the Arena.

AGREEMENT

NOW, THEREFORE, based upon the foregoing recitals which are incorporated in this Agreement below as though set forth in full, the parties agree as follows:

1. Agreement Term. Sawtooth shall have the exclusive right to use the Arena for three (3) years between June 30, 2011, and July 6, 2011, June 30, 2012 and July 6, 2012 and June 30, 2013 and July 6, 2013 ("Events"). Sawtooth shall also have the right to inspect and use the Arena before June 30, 2011, provided the Arena is ready and safe to be used as determined by the City, in City’s sole discretion. Either party may terminate this Agreement, with or without cause, provide notice is delivered to the other party six (6) months prior to the events in 2012 and 2013.
2. **Rent.** Sawtooth shall pay to City as minimum rent for the Arena Two Thousand and no/100’s Dollars ($2,500.00) and $1 per paid ticket (i.e., non-complimentary tickets) after the first 2500 paid tickets are issued. The $2,500 for each annual event shall be paid to the City before June 30 of each year of this Agreement, while the charges attributable to the $1 per paid ticket shall be paid to the City on or before six weeks after the 4th of July of each year.

3. **Use of Arena.** The Arena may be used and occupied by Sawtooth only as a public facility as a rodeo ground facility, as a concession area and parking, and for no other purpose or purposes without City's prior written consent. Sawtooth shall not do or permit anything to be done in or about the Arena or bring or keep anything in the Arena that will in any way increase the rate of fire insurance upon the building in which the Arena is situated or permit the emission of any objectionable noise or odor. Sawtooth shall not perform any acts or carry on any practices that may injure the Arena or the building of which the Arena form a part. Sawtooth agrees to comply with (and cause its agents, contractors, employee and invitees to comply with) any rules and regulations with reasonable modification hereof which City may from time to time make and deliver to Sawtooth in writing. The City agrees that the Professional Rodeo Cowboy Association (“PRCA”), Intermountain Professional Rodeo Association (“IMPRA”) and the Idaho Cowboy Association (“ICA”) shall be allowed to sponsor rodeo events only between August 1 and May 31 of the following year during the years of the Events. Notwithstanding the prohibition of the use of the Arena by PRCA, IMPRA or ICA, the Arena may be used by other rodeo users (e.g., 4-H, high school rodeo clubs and other amateur rodeo clubs) during the years of the Events, but not during the Events.

4. **Security Deposit.** Sawtooth shall pay as a security deposit the sum of _______ and No/100 Dollars ($______), receipt of which is hereby acknowledged, to be held by City as a Security Deposit for the faithful performance by Sawtooth of all the terms, covenants and conditions of this Agreement to be kept and performed by Sawtooth during the term of this Agreement. This deposit does not limit City’s rights or Sawtooth’s obligations. Sawtooth understands that all or a portion of the deposit may be retained by City upon termination of the tenancy and that a refund of any portion of the deposit to the Sawtooth is conditioned on the following:

   a) Sawtooth shall clean and restore the Arena to its condition at the commencement of each Event, less normal wear.

   b) Sawtooth shall have remedied or repaired any damage to the Arena to City’s satisfaction.

   c) Sawtooth shall have complied with all of the provisions of this Agreement and with such other rules and regulations as the City may deem necessary.

   If Sawtooth defaults with respect to any provision of this Agreement, including but not limited to the provisions relating to the payment of the monetary sums due herewith, City may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the
payment of any other amount which City may spend by reason of Sawtooth's default or to compensate City for any other loss or damage which City may suffer by reason of Sawtooth's default. If any portion of the Security Deposit is so used or applied, Sawtooth shall, within ten (10) days after written demand therefor, deposit cash with City in an amount sufficient to restore the Security Deposit to its original amount. Sawtooth's failure to do so shall be a material breach of this Agreement. Sawtooth shall not be entitled to interest on such deposit. If Sawtooth shall fully and faithfully perform every provision of this Agreement to be performed by him, the Security Deposit or any balance thereof shall be returned to Sawtooth at the expiration of the Events and after Sawtooth has vacated the Arena.

5. **Utilities.** Sawtooth shall pay or reimburse City for all charges for electricity, gas, water, sewer, trash and telephone, rendered or supplied upon or in connection with the Arena during the Events, and shall indemnify the City against any liability or damages on such account. In addition, Sawtooth shall pay or reimburse the City for all services requested by Sawtooth or which are reasonably required by Sawtooth, such as street sweeping and police security and traffic control. The charges incurred in accordance with this paragraph shall be paid to the City within thirty (30) days of the date of billing for such charges.

6. **Insurance.** During the Events, Sawtooth shall, at its own expense, maintain in full force, comprehensive liability insurance, including public liability, property damage and contractual liabilities of the Sawtooth, written by a responsible insurance company licensed to do business in Idaho, and insuring Sawtooth and City (and such other persons, firms, or corporations designated by City) as additional named insureds against liability for claims of damage because of injury to persons and property and for death of any person or persons occurring in or about the Arena. The liability covered by such insurance shall be not less than a combined single limit of One Million Dollars ($1,000,000). At City's reasonable discretion, Sawtooth shall increase the coverage to such amount as City and Sawtooth agree is commercially reasonable. The insurance shall be primary insurance such that the insurer shall be liable for the full amount of the loss without the right of contribution from any other insurance coverage held by City.

Sawtooth shall also ensure that all rodeo contestants who compete in the rodeo events during the Events provide proof of liability insurance, written by a responsible insurance company licensed to do business in Idaho, which covers claims of damage because of injury to persons and property and for death of any person or persons occurring in or about the Arena. The liability covered by such insurance shall be not less than a combined single limit of One Million Dollars ($1,000,000).

No party shall have the right or claim against the City for any losses, damages or injury, including losses, damages or injury to property or persons, including death, and for any business interruption, occurring on the Arena or the adjoining property, (whether caused by the negligence or other fault of the City or the Sawtooth or their respective agents, employees, subtenants, licensees or assignees or whether caused by negligence or the conditions of the Arena or any part thereof) by way of subrogation or assignment. The Sawtooth hereby waives and relinquishes any
such right. The Sawtooth shall request Sawtooth's insurance carrier to endorse all applicable policies waiving the carrier's right of recovery under subrogation or otherwise in favor of the City and provide a certificate of insurance verifying this waiver.

All insurance required by this Section shall be in a form and with companies satisfactory to City and shall provide that it shall not be subject to cancellation or change except after at least thirty (30) days' prior written notice to City. The policy or policies, or duly executed certificates for them, shall be deposited with City each year within fifteen (15) days before each Event.

7. **Exemption from Liability.** City shall not be liable to Sawtooth or to any other person whomsoever for any injury or damage to person or property occurring within or about the Arena, unless caused by or resulting from the wilful and intentional acts of the City or any of the City's agents, servants or employees in the operation or maintenance of the Arena. City shall not be liable in damages or otherwise for failure to furnish, or any interruption of service of any water, gas, electricity, telephone, or other utility caused by fire, accident, riot, strike, labor disputes, acts of God, the making of any repairs or improvements, or causes beyond the control of City, or for any loss, damage or theft of property of Sawtooth, its agents, servants or employees.

Any prevention, delay, or stoppage, due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control for the party obligated to perform shall excuse performance by such party for a equal to any such prevention, delay or stoppage, except as otherwise provided in this Agreement.

8. **Indemnification and Hold Harmless.** Sawtooth agrees to indemnify and hold City harmless from and against any and all claims, including mechanic's and materialman's liens, by or on behalf of any person or person, firm(s) or corporation(s), arising from the conduct or management of the activities conducted by the Sawtooth or arising out of any act or omission or negligence of Sawtooth, its contractors, licensees, agents, servants or employees, or arising from any accident, injury, or damage whatsoever caused by any person or property occurring in or about the Arena or any part thereof, and the walkways adjoining the Arena and from and against all costs, expenses, liabilities and attorney's fees incurred in connection with any such claim or proceeding brought thereon.

9. **Maintenance and Repairs.** Sawtooth shall, at its sole cost and expense, keep and maintain the interior and exterior of the Arena (including, without limitation, all fixtures, plumbing and sewage facilities, heating, ventilation and air conditioning equipment, ice making equipment, interior and exterior walls, doors and windows) in good order, condition and repair during the Events, remove all rubbish and refuse therefrom, keep all landscaping in good condition, and replace or repair all electrical fixtures and mechanical, heating and plumbing fixtures and equipment that may be damaged or broken. Sawtooth shall, at its sole cost and expense, remove all manure from the Arena before the end of each Event or store the manure on
site allowing it to decompose but only if allowed by City staff. If City deems it necessary for Sawtooth to make any repairs, City may demand that Sawtooth make them immediately, and if Sawtooth refuses or neglects to commence such repairs and to complete them with reasonable dispatch, City may make or cause such repairs to be made and Sawtooth shall immediately pay City for the costs of such repairs upon receipt of the costs. Sawtooth shall, at its cost and expense, promptly and properly observe, comply with, and execute, but not to the extent of making structural improvements, all present and future orders, regulations, directions, rules, laws, ordinances and requirements of all governmental authorities (including, but not limited to, state, municipal, county and federal governments and their departments, bureaus, boards and officials), and any other board or organization exercising similar functions, arising from the use or occupancy of, or applicable to the Arena.

10. **Alterations and Improvements.** Sawtooth shall not have the right to make changes, alterations or additions to the Arena without the prior written consent of the City, which may be withheld in the City’s sole and absolute discretion.

11. **Damage or Destruction.** If the Arena is partially or totally destroyed or damaged by fire or other casualty so as to become partially or totally untenantable, the City is not required to rebuild the Arena, in which event either the City or Sawtooth may terminate this Agreement by providing written notice of intent to terminate. Upon termination, Sawtooth waives any and all claims for damages based on termination of this Agreement and any loss of use.

12. **Defaults.** In the event Sawtooth shall breach Sawtooth’s obligations pursuant to this Agreement, then City shall notify Sawtooth of such breach in writing by certified mail, return receipt requested, or hand delivery, and Sawtooth shall correct any failure to pay rent within three (3) days of receipt of such notification, and Sawtooth shall cure any other breach within thirty (30) days of the date of such notification. In the event of a default which cannot, with due diligence, be cured within a period of thirty (30) days, Sawtooth shall have such additional time to cure the same as may be reasonably necessary, providing Sawtooth proceeds promptly and with due diligence to cure such default after receipt of said notice. In the event Sawtooth fails to pay any sums due pursuant to this Agreement, or cure any other breach, after notice as aforesaid, then City shall have the option of either (i) cancel and terminate this Agreement, or (ii) terminate Sawtooth’s right to possession only without terminating the Agreement or (iii) pursue any other remedy available at law or in equity.

13. **Entry by City.** In the event of any entry in, or taking possession of, the Arena as aforesaid, City shall have the right, but not the obligation, to remove from the Arena all personal property of Sawtooth located therein and may store the same in any place selected by City, including but not limited to a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice to Sawtooth, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Sawtooth to City under any of the terms hereof, and the balance, if any, shall be paid to Sawtooth.

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14. **Liens.** Sawtooth shall keep the Arena and the property on which the Arena is situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Sawtooth.

15. **Assignment and Subletting.** Sawtooth shall not assign or sublet this Agreement or any or all of Sawtooth’s interest in the Arena without first procuring the written consent of City, which may be made in the City’s sole and absolute discretion.

16. **Waiver.** The failure of either party hereto to insist upon strict performance of any of the covenants and agreements of this Agreement, or to exercise any election herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such, or any other covenants or agreements, and the same shall be and remain in full force and effect. A particular waiver by either party of any said covenants or agreements to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants or agreements of this Agreement.

17. **Annual Review.** Within six (6) weeks following the end of each Event, Sawtooth shall submit a written report to the Hailey Mayor and City Council and if requested by the City, shall attend a public Hailey City Council meeting to answer any questions about the report. The report shall provide i) attendance records during the Event, ii) a detailed accounting of all revenue generated during the Event from all sources including ticket sales, advertisements, donations, concessions, etc., iii) a detailed accounting of all expenses incurred during the Event, iv) a description of advertising for the Event, v) a description of any problems with the Event, vi) a description of both written and oral complaints about the operations of the Event, and vii) any suggestions to improve future events at the Arena.

18. **Miscellaneous Provisions.**

   a. **Final Agreement.** This Agreement represents the final agreement between the parties and merges and supersedes all prior negotiations, whether written or oral, with respect thereto.

   b. **Modification.** This Agreement cannot be modified, changed, discharged, or terminated, except by writing signed by both the City and Sawtooth.

   c. **Time is of the Essence.** Time and timely performance is of the essence of this Agreement.

   d. **Applicable Law.** This Agreement shall be construed and enforced under the laws of the State of Idaho.

   e. **Benefit.** This Agreement shall be binding upon and insure to the benefit
of the parties hereto, their legal representatives, heirs, successors and assigns.

f. Attorney’s Fees. In the event of any dispute with regard to the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover their reasonable costs and attorney’s fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals.

g. Presumption. This Agreement or any section thereof shall not be construed against any party due to the fact that said Agreement or any section thereof was drafted by either party.

h. Notice. Unless otherwise specifically provided for herein, notices given pursuant to the terms of this Agreement shall be deemed received on the date sent and shall be sent to the parties at their addresses first above given or such address as may be later specified by the party in writing.

i. Further Action. The parties hereto shall execute and deliver all documents, provide all information and take or forbear from all such action as may be necessary or appropriate to achieve the purposes of this Agreement.

j. Authority. Each signatory has full authority and consent to sign this Agreement. Sawtooth represents and warrants to City that it is a corporation organized, existing and in good standing under the laws of the State of Idaho, and it is authorized, by appropriate corporate resolution, to enter into and execute this Agreement and any and all documents related thereto.

k. Severability. The invalidity or illegality of any provision shall not affect the remainder of this Agreement.

IN WITNESS WHEREOF, the parties, having been duly authorized, have hereunto caused this Agreement to be executed, on the day and year first above written, the same being done after public hearing, notice and statutory requirements having been fulfilled.

Dated this ____ day of ______________________, 2011.

CITY:

CITY OF HAILEY, an Idaho municipal corporation

ATTEST:

By: ___________________________  By: ___________________________

USE AGREEMENT/7
SAWTOOTH:

SAWTOOTH RANGERS RIDING CLUB, INC., an Idaho non-profit corporation

William Bobbitt, its President