


STAFF REPORT

TO: Hailey Planning and Zoning Commission

FROM: Beth Robrahn, Planning Director 

RE: "Life Springs" Annexation Application

HEARING DATE: March 10, 2008

Applicant: Life Church

General Location of Property: Adjacent to McKercher Boulevard and Highway 75

Legal Description: Tax Lots 7734, 6879 and 6880

Note: Ordinance Requirements and comprehensive Plan policies are in bold type staff analysis is in plain type.

Notice

Notice for the public hearing was published in the Wood River Journal on February 20, 2008. The notice was mailed to property owners within 300 feet, to public agencies, and to area media, on February 20, 2008. Notice was posted on all boundaries of the subject property on March 3, 2008.

Application

Life Church, represented by John Gaeddert of the Corporation for Land Planning and Engineering, has submitted an application for annexation. The church owns 10.68 acres comprise of Tax Lots 7734, 6879 and 6680. The original application was for the entire 10.68 acres. The applicant revised the application to annex approximately 5.26 acres to be developed as a church. This partial annexation was presented to the Commission for the first time on March 19, 2007. See additional Procedural History below.

The applicant's representative has indicated that they would like to construct a church of approximately 6,000 square feet and the ability to accommodate 300 people. There is the possibility that in the future an additional 6,000 square feet will be added.

The property is currently located in the County, within the Area of City Impact and is zoned R-1. The annexation application requests that the property be zoned as Transitional (TN) and Recreational Green Belt (RGB) upon annexation.

Pursuant to Idaho Code Section 50-222, (3) (a), the subject application represents a Category A annexation, because it involves "residential enclaved lands of less than one

hundred (100) privately-owned parcels... which are bounded on all sides by lands within a city and by the boundary of the city's area of city impact.”

Procedural History

On October 27, 2003, prior to submitting an annexation application, representatives of the applicant requested that the City extend services to the property to enable construction a church. According to the minutes of that meeting the church had been denied a septic permit from South Central Health District to develop in the County because the property is within 200 feet of a sewer system. The City denied the sewer extension request to give the applicant the ability to explore other options with the County (appeal the decision by the Health District on septic permit and then apply for a conditional use permit through the County) or to apply for annexation to the city.

The Commission heard the annexation application for the first time on November 6, 2006. The Commission requested additional information from the applicant regarding the site and possibly some conceptual design of the building.

The Commission held a second public hearing on February 5, 2007. A revised site plan showed parking detail for the church being shifted to the west so that if River Street ever was extended no portion of the church or its amenities would be affected. A draft Annexation Agreement was also submitted as well as a revised site plan, showing Recreational Green Belt (RGB) and Transitional (TN) zoning. Additionally, lot lines were removed. The hearing was continued on the record to February 20, 2007.

On February 20, 2007 a third public hearing was held and additional public comment was taken. The hearing was continued on the record to March 19, 2007.

On March 19, 2007 a fourth public hearing was held. Additional plans were presented by the applicant showing the following 3 options:

- Option #1 would annex only the parcel the church would sit on, ask for Transitional (TN) zoning, and limit some uses within the TN zone subject to an annexation agreement.
- Option #2 would annex the parcel the church would sit on with General Residential (GR) zoning and only permit uses within that zone subject to the annexation agreement. They would also request annexation of a smaller parcel adjacent to Marketron with the hope that Marketron would purchase that lot and use it for parking and/or other uses related to Marketron. The zoning requested for that parcel would be TN.
- Option #3 would be the same as Option #2, except that the zoning for the church and the lot adjacent to the Marketron property would be TN. Uses within the TN zone would be limited by the annexation agreement.

Commission stated that the scenarios represented by the 3 options presented failed to demonstrate to their satisfaction what plans the church had for the remaining pieces of property that would be left in the County (the applicant owns 10.68 acres and the original

application was for the entire 10.68 acres, but the applicant reduced the annexation request to 5.26 acres).

The Commission found that the application, as presented, did not comply with the Comprehensive Plan, specifically Section 12.1, "To manage and accommodate growth due to infill development and to control and/or limit expansive development within the City of Hailey, through flexible, responsive, and consistent controls, in order to provide for a community that is well-defined in terms of distinct boundaries, compact in terms of human scale elements and distances between structures and uses, and surrounded by and integrated with green space. To provide for alternative modes of transportation, sustainable economic development, a balanced mix of housing, serviceable annexations and adequate infrastructure."

Further, the Commission referenced the following section from Ordinance #889, the Hailey Annexation Ordinance, citing that the applicant failed to provide certain details for the 3 options presented, specifically items C, D and L under Section 14.01.050, Submittal Requirements.

C. A description of the proposed project, including the approximate a) number and size of proposed lots, b) length and location of the proposed water and sewer mains, c) length and location of proposed streets and alleys, and d) length and location of the proposed sidewalks.

D. A schematic design of the entire project showing the proposed uses, density, streets, alleys, easements, and proposed size and location of open spaces and parks.

L. A phasing plan showing the proposed dates of construction and completion of phased construction for infrastructure, streets, alleys, utilities and all other development. In the case of a phased project, items C and D above may be omitted for future phases; however provisions shall be made within an annexation agreement for submittal of plans and payment of fees for future phases.

On January 24, 2008 Life Church submitted a revised master plan for the 10.68 acres owned by the church to address the Commission's reasons for recommending denial of the application; this action initiated the process of scheduling the application for the Council's review. According to the Hailey Annexation Ordinance upon receipt of the Commission's findings of fact and conclusions of law a public hearing can be scheduled for the Council to review an application for annexation. The Commission's findings of fact and conclusions of law were emailed to the Council on Friday February 22, 2007.

Applicant's Updated Benefit Proposal

The applicant is proposing the following as part of the annexation request:

- Approximately one (1) acre for use by the City. If the City pursues the site as the location for the Hailey Ice Rink, then the applicant is willing to provide a total of 1.7 acres.
- A 30 foot wide landscape easement adjacent to Main Street with a gateway sign.

- A 22 foot landscape easements adjacent to Mountain View Subdivision.
- Relocation of three (3) of the historic forest service buildings to the site, pending acquiring the buildings from the current owner.

Department Head Comments

Life/Safety: Comments applicable at time of development; see attached

Water and Sewer:

Previous staff comments indicated there are adequate water and sewer services available to accommodate the proposed development of this property.

Streets: Previous staff comments suggested that a roundabout be installed at the north end of River Street adjacent to the property. Additional comments, applicable at time of development are attached.

Parks and Lands Board Recommendation:

In a memo dated February 11, 2008, the Parks and Lands Board expressed support of the annexation request because of the community benefits the would be derived from the applicant's offer to dedicate 1.7 acres for Hailey Ice for the construction of an ice rink. The Board recommends the following:

- that negotiated park space be zoned RGB, dedicated to the City and used for Hailey Ice Rink, with the understanding that the rink will be constructed by Hailey Ice, Inc and dedicated to the City.
- that negotiated park space be connected to and developed in a useful manner with Albertson's existing picnic area and Empty Saddle to the south
- that the Board have future design review approval of the Hailey Ice Rink and development of park space prior to construction.

In a separate correspondence from the Hailey Parks Project Coordinator to the Mayor and Council, dated February 22, 2008, it is noted that Hailey Ice remains interested in the Rodeo grounds as an alternative site for the ice rink. A master plan process for the rodeo grounds is recommended by the Parks and Land Board.

Council Review

Pursuant to Section 14.01.090, Council Review, of Hailey Ordinance No. 889, the Council's review shall include:

Conduct and Notice of Council Hearing. Upon receipt of the Commission's findings of fact and conclusions of law, the Council shall schedule a public hearing to review the application for annexation. Notice of the public hearing shall be conducted in the same manner as the notice for a Commission hearing pursuant to Section 14.01.070 of this Chapter. The Council shall have the right to request

further information deemed necessary by the Council at any time during the proceedings.

Fiscal Impact. To assist the Council in the determination whether an annexation will have any negative fiscal impact, the Council may, in its sole and absolute discretion, require the applicant for annexation, at the applicant's sole expense, to submit a fiscal analysis or an updated fiscal analysis by a qualified and independent person or firm acceptable by the Council and in a format acceptable by the Council, to determine the proposed annexation's impact and to recommend the base amount of annexation fees. The Council retains the right to require further monetary or non-monetary contributions for any annexation. The applicant has the right to seek the City's approval of such a fiscal impact study at any point in the annexation process.

The Council should discuss how they want to assess the fiscal impact of this annexation application. If the Council wishes to move forward with the proposed annexation, a fiscal impact study may be required by the Council to be paid for by the applicant.

Findings. During the public hearing process of the application for annexation, the Council shall make its own findings of fact and conclusions of law to determine:

1. Whether the proposed application will be harmonious and in accordance with specific goals and policies of applicable components of the Hailey Comprehensive Plan, and

The applicant provided a statement regarding compliance with the Comprehensive Plan, in a document entitled "Life Church Annexation Petition into the City of Hailey". An additional analysis of the Growth Management component of the Comprehensive Plan was also submitted by the applicant.

The Commission had issues with the proposed TN zoning; the Commission was concerned with continuing to allow business related uses outside of the Business District and wanted to limit the uses to church related uses or otherwise further limit the uses allowed in the TN zoning district for this property.

The Commission discussed whether General Residential (GR) zoning would be a more appropriate zoning designation in order to accommodate a church use while also providing a buffer between residential uses to the north and west.

A possible alternative development configuration, that would accommodate the church use, address the Commission's concerns regarding future office and commercial related uses in the area of Highway 75 and McKercher and provide additional community benefit associated with the annexation, is to restrict the portion of the property west of River Street and north of the proposed park area to a desirable mix of market and community housing.

Several sections of the Comprehensive Plan have goals and policies applicable to annexation, including Section 5, Land Use, Section 6, Economic Development, Section 8

Housing, Section 9, Public Facilities, Utilities, and Services and Section 12, Growth Management. Specific goals and policies from Section 12, Growth Management that address annexations follow:

12.1 Goal: To manage and accommodate growth due to infill development and to control and/or limit expansive development within the City of Hailey, through flexible, responsive, and consistent controls, in order to provide for a community that is well-defined in terms of distinct boundaries, compact in terms of human scale elements and distances between structures and uses, and surrounded by and integrated with green space. To provide for alternative modes of transportation, sustainable economic development, a balanced mix of housing, serviceable annexations and adequate infrastructure.

A primary concern of the Commission was related to "control and/or limit expansive development". The Commission felt that the application was not well defined and they could not find that it was a "serviceable annexation".

12.1.1 Policy: Ensure that growth does not outpace infrastructure, services or capacity of resources. The following implementation items are considered high priority for the City.

Implementation:

- e. When considering annexations, evaluate the merits on which the property would benefit the City if annexed. For example, property with existing ground or surface water rights or other similar resources would be a greater benefit to the City than property without.**

The subject property does not have any water rights. A benefit to the City may be the ability to extend water and sewer services to the subject property, thereby eliminating the possibility of groundwater contamination or contamination of the Big Wood River from a septic system.

Other benefits proposed by the applicant include:

- Approximately one (1) acre for use by the City. If the City pursues the site as the location for the Hailey Ice Rink, then the applicant is willing to provide a total of 1.7 acres.
- A 30 foot wide landscape easement adjacent to Main Street with a gateway sign.
- A 22 foot landscape easements adjacent to Mountain View Subdivision.
- Relocation of three (3) of the historic forest service buildings to the site, pending acquiring the buildings from the current owner.

The Council should determine whether these benefits are adequate. Over the course of the Commission's deliberation on the application, conservation easements were discussed. The landscape easement proposed by the applicant extends along the western boundary of the property from Empty Saddle Road to the northern boundary of the Mountain View Subdivision. The triangular portion at the northwest corner of the site, adjacent to Tax Lot 4563 and Lot 9 of River Grove Ranch Subdivision, may be an appropriate location for a conservation easement.

- f. **Ensure that existing infrastructure and proposed infrastructure provided by an applicant can accommodate any proposal for annexation.**

There are no major concerns from City Departments regarding infrastructure capacity and the ability to accommodate the proposed development if all extensions of service and other mitigation measures are paid for by the applicant.

- g. **Continue to evaluate the adequacy of the City water supply to meet current and future demands. Where available, require sufficient water rights be provided by applicants for the uses proposed within lands considered for annexation.**

The subject property does not have any water rights.

- 12.1.3. **Policy: Support infill development, generally the preferred method of growth, while recognizing that expansion of city boundaries will also be required to accommodate various uses compatible with this Plan.**

Implementation:

- a. **Carefully analyze for general compliance with this Comprehensive Plan all applications for the expansion of city boundaries. Annexations and extension of full city infrastructure should occur only as infrastructure and city services can be feasibly provided.**

The Commission could not find that the application was in compliance with this policy of the Plan without more detail regarding the uses proposed for the subject property. The Commission had issues with the proposed TN zoning; the Commission was concerned with continuing to allow business related uses outside of the Business District and wanted to limit the uses to church related uses or otherwise further limit the uses allowed in the TN zoning district for this property. General Residential (GR) zoning was discussed by the Commission as possibly being a more appropriate zoning designation in order to accommodate a church use while also providing a buffer between residential uses to the north and west.

The applicant has submitted a master plan of the site in an effort to provide more detail regarding the uses proposed for the subject property. The questions of the future use of the portion of the parcel east of River St, north of McKercher Blvd and west of Highway 75, and whether the use should be further restricted on this portion of the site in order to support infill development, were concerns of the Commission.

- 12.1.5. **Policy: Ensure that development, both within current city limits and in future annexation areas, pays all cost associated with additional services required. Future growth should pay for itself.**

Implementation:

- a. **Based on information gained through the examination of levels and costs of services, maintain an appropriate method of calculating basic annexation fees, which may be augmented by site specific exactions or dedications.**

- b. Consider site specific needs related to each annexation application and ensure the collection of fees, development of infrastructure, or other exactions appropriate to those needs.**

The Council should discuss how they want to assess the fiscal impact of this annexation application. If the Council wishes to move forward with the proposed annexation, a fiscal impact study may be required by the Council to be paid for by the applicant.

- 12.1.6. Policy: Ensure that community and neighborhood character is provided for future development through the use of innovative design, diversity of housing, and individuality of homes.**

Implementation:

- a. Consider development standards that will promote and ensure compatibility between different types of residences in new subdivisions and annexations.**

The Commission could not make a positive finding due to the lack of an overall plan for the entire 10.68 acres. The Commission had issues with the proposed TN zoning; the Commission was concerned with continuing to allow business related uses outside of the Business District and wanted to limit the uses to church related uses or otherwise further limit the uses allowed in the TN zoning district for this property. The Commission discussed whether General Residential (GR) zoning would be a more appropriate zoning designation in order to accommodate a church use while also providing a buffer between residential uses to the north and west.

A possible alternative development configuration, that would accommodate the church use, address the Commission's concerns regarding future office and commercial related uses in the area of Highway 75 and McKercher and provide additional community benefit associated with the annexation, is to restrict the portion of the property west of River Street and north of the proposed park area to a desirable mix of market and community housing.

The applicant has submitted a master plan of the site in an effort to provide more detail regarding the uses proposed for the subject property. The questions of the future use of the portion of the parcel east of River St, north of McKercher Blvd and west of Highway 75, and whether the use should be further restricted on this portion of the site in order to support infill development, were concerns of the Commission.

- 2. Whether the proposed annexation generally complies with the Hailey Comprehensive Plan, and**

The Council should determine if there are adequate evidence on specific goals and policies of the plan to make findings that the proposal generally complies with the plan.

- 3. To the extent possible, whether the proposed annexation will have a negative fiscal impact upon the existing citizens of Hailey at the time of an annexation and in the future.**

The Council should discuss how they want to assess the fiscal impact of this annexation application. If the Council wishes to move forward with the proposed annexation, a fiscal impact study may be required by the Council to be paid for by the applicant.

Zoning Classification. If the Council finds general compliance with the Hailey Comprehensive Plan, the Council shall then consider the application for a zoning classification and consider any and all factors it deems, in its sole and absolute discretion, important to determine whether an application for annexation shall be granted or denied.

The applicant has requested a zone change to Transitional (TN) and Recreational Green Belt (RGB). The property is currently zoned for residential use. The property is bordered to the west and north by six unincorporated residential lots. Three of the lots are in Mountain View Subdivision and are close to the existing Marketron building, located west of the property and separated by large trees and a change in grade. A large tax lot and two River Grove Ranch Subdivision lots are to the northwest, including outbuildings and corrals along the north property line. Albertson's, Marketron, Bigwood 4 Cinemas and State Highway 75 are located to the south and east of the project. The signalized McKercher/SH75 intersection is the main access into the property.

The purpose of the TN District is to provide a buffer zone between residential and business areas. The zone provides for restricted business activities within residential areas which are directly adjacent to or across a street or alley from established business zones. Uses shall be limited to those that generate relatively little traffic. The residential integrity of the area shall be maintained by preserving the existing buildings and requiring new building designs in keeping with the residential nature of the area, and requiring adequate on-site parking. The term "Transitional" does not imply that the properties within the district will be transitioning from residential to business zoning.

Permitted uses for the TN District are limited to the following:

- Single Family Dwellings
- Dwelling Units within Mixed Use Buildings
- Home Occupations
- Professional Offices
- Day Care Homes
- Day Care Facilities
- Manufactured Homes
- Churches
- Parks

The purpose of the RGB District is to provide areas for public recreation and/or to create and preserve open and/or green space areas for aesthetic and public use. All uses within the RGB District shall be compatible with the protection of natural and scenic resources for the benefit of present and future generations.

Permitted uses for the RGB District are limited to the following:

- Parks, including structures and/or buildings integral to the parks
- Non motorized, recreational pathways
- Public golf courses

Conditional, accessory uses and bulk regulations for the TN and RGB Districts are attached.

The Commission recommended denial of the original application in part due to concern over Professional Offices and Mixed Use Buildings being permitted uses in the TN zone and whether those permitted uses, if located on this site would counter the Comprehensive Plan policy of supporting infill development.

If the Commission made negative findings related to the Comprehensive Plan under Section 14.01.080 and therefore did not make a recommendation on zoning classification for the property sought to be annexed, but the Council subsequently made favorable findings related to the Comprehensive Plan and wishes to proceed with the annexation, the Council shall remand the proceedings to the Commission for its recommendation on zoning classification.

The Commission recommended denial of the original application, therefore if the Council makes favorable findings related to the Comprehensive Plan and proceeds with approval of the annexation, then the application will be required to be remanded to the Commission for its recommendation on zoning classification.

Decision. The Council has the sole and absolute discretionary right to approve, approve with conditions or deny an application for annexation. In addition, the Council is authorized to require, as a condition of approval, that the applicant and the City enter into an annexation agreement providing for the terms and conditions of an approved annexation. In the event a subsequent development proposal materially differs from the development shown in approved annexation, the annexation agreement shall provide that the proposed development may be denied, that the applicant shall be responsible for any increased annexation fees and/or that the property may be deannexed. There shall be no right of an appeal by an applicant or by an affected party from an adverse recommendation by the Commission or from an adverse decision of the Council on an annexation application. If the Council elects to approve the application for annexation with or without conditions, the Council shall also establish the appropriate zoning district(s) for the annexed property in accordance with the procedures set forth in Article XIV of the Hailey Zoning Ordinance.

Summary of Council Action

- The Council shall hold a public hearing to receive public comment.
- The Council should determine how they want to assess the fiscal impact of this annexation application and whether a fiscal impact study will be required by the Council to be paid for by the applicant.
- Should the Council choose to forgo the assessment of fiscal impact, then findings on the following should be made:
 - 1) Whether the proposed application will be harmonious and in accordance with specific goals and policies of applicable components of the Hailey Comprehensive Plan, and
 - 2) Whether the proposed annexation generally complies with the Hailey Comprehensive Plan, and
 - 3) To the extent possible, whether the proposed annexation will have a negative fiscal impact upon the existing citizens of Hailey at the time of an annexation and in the future.
- If the Council finds the application meets the above standards, they shall remanded the application to the Commission for its recommendation on zoning classification.

List of Attachments

P&Z Findings of Fact
Department Comments – Fire, Streets, Parks and Land Board
TN Zoning
RGB Zoning
GR Zoning
Applicant's Summary and Comprehensive Plan Analysis
Master plan concept
Survey
Forest Service Building concept photo

FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENDATION

On November 6, 2006, February 5, February 20 and March 19, 2007, the Hailey Planning and Zoning Commission considered an application by the Life Church for annexation of Tax Lots 7734, 6879 and 6880. The property, to be known as "Life Springs", comprises approximately 10.68 acres. Proposed for a church, the property is now within a Blaine County Residential (R1) zone and is undeveloped. The subject property lies generally adjacent to McKercher Boulevard and Highway 75. The Commission, having been presented with all information and testimony in favor and in opposition to the proposal, hereby makes the following Findings of Fact, Conclusions of Law and Decision.

FINDINGS OF FACT

Notice

Notice for the February 5, 2007 public hearing was published in the Wood River Journal on January 17, 2007. The notice was mailed to property owners within 300 feet, to public agencies, and to area media, on January 17, 2007. Notice was posted on all boundaries of the subject property on January 29, 2007. The hearing was continued on the record to February 20, 2007, and again to March 19, 2007; therefore no additional notice was required.

Application

Life Church, represented by John Gaeddert of the Corporation for Land Planning and Engineering and Janine Bear, has submitted an application for annexation of approximately 10.68 acres to be developed as a church. The conceptual plans originally submitted showed a 3 lot subdivision; the church would be located on Lot 2. As a result of Commission deliberations on February 5, 2007, lot lines have been removed at this time.

The applicant's representative has indicated that they would like to construct a church of approximately 6,000 square feet and the ability to accommodate 180 people. There is the possibility that in the future additional area will be constructed.

Procedural History

Representatives from the church approached the City approximately one year ago to request that the City extend services to the property so they could construct their church. The City denied that request, citing that they would not extend services to this property outside of the corporate city limits. The church had previously been denied a septic permit from South Central Health District to develop in the County due to the size of the church, which was approximately 28,000 square feet at that time, and its proximity to the river.

The Commission heard this application on November 6, 2006; however, a transcribable record of that hearing is not available due to a malfunction of the recording equipment. As such, all materials were presented to the Commission on February 5, 2007, that had been previously presented in order to create a complete record.

On November 6, 2006, the application was tabled so that the applicant could prepare and provide additional information regarding the site and possibly some conceptual design of the building. The next hearing, on February 5, 2007, was noticed as set forth above.

A revised site plan was submitted prior to the February 5, 2007 hearing showing parking detail for the church being shifted to the west so that if River Street ever was extended no portion of the church or its amenities would be affected. A draft Annexation Agreement was also submitted as well as a revised site plan, showing Recreational Green Belt (RGB) and Transitional (TN) zoning. Additionally, lot lines were removed.

The Commission heard all public comment and was not able to make a final decision on the annexation request. The hearing was continued on the record to February 20, 2007.

On February 20, 2007 a hearing was held and considerable public comment was taken. The Commission was leaning towards denying the project, however the applicant's representative asked for a brief recess. At such time as the meeting reconvened, the applicant asked for a continuation to see if they could offer some solutions to the application, in an effort to gain Commission approval. The meeting was continued on the record to March 19, 2007.

After the adjournment of the February 20 hearing, Commissioner Linscott had ex parte communication with the applicants (which was disclosed on the record on March 19) and expressed her concern that the 3 small buildings located on what is commonly referred to as the "Forest Service block" were scheduled for demolition. She further expressed her desire to have the buildings retained and suggested that the church may wish to contact John McGowen, owner of the Forest Service block property, in an effort to come up with a plan to preserve the buildings and possibly relocate them to the proposed annexed property.

The church representatives discussed this option with Mr. McGowan and have been in negotiations to have the buildings donated to the church and located on the proposed church property. A colored rendering was provided showing the buildings located at the rear of the subject property. Additional plans were also submitted showing the following 3 options:

- Option #1 would annex only the parcel the church would sit on, ask for Transitional (TN) zoning, and limit some uses within the TN zone subject to an annexation agreement.
- Option #2 would annex the parcel the church would sit on with General Residential (GR) zoning and only permit uses within that zone subject to the annexation agreement. They would also request annexation of a smaller parcel

adjacent to Marketron with the hope that Marketron would purchase that lot and use it for parking and/or other uses related to Marketron. The zoning requested for that parcel would be TN.

- Option #3 would be the same as Option #2, except that the zoning for the church and the lot adjacent to the Marketron property would be TN. Uses within the TN zone would be limited by the annexation agreement.

On March 19 these options were presented and public comment was taken. The Commission deliberated and was unable to make positive findings relative to the Comprehensive Plan and Annexation Ordinance. The Commission made a recommendation that the application be denied.

While the reasons for not wanting septic tanks within such close proximity to the river were discussed, the Commission believed that the application, as presented, did not comply with the Comprehensive Plan. The original application was for the entire 10.68 acres of land and the Commission stated that the scenarios represented by the 3 options above failed to demonstrate to their satisfaction what plans the church had for the remaining pieces of property that would be left in the County.

Further, the Commission referenced the following section from Ordinance #889, the Hailey Annexation Ordinance, citing that the applicant failed to provide certain details, specifically items C, D and L under Section 14.01.050, Submittal Requirements, particularly for the 3 options presented.

- C. A description of the proposed project, including the approximate a) number and size of proposed lots, b) length and location of the proposed water and sewer mains, c) length and location of proposed streets and alleys, and d) length and location of the proposed sidewalks.
- D. A schematic design of the entire project showing the proposed uses, density, streets, alleys, easements, and proposed size and location of open spaces and parks.
- L. A phasing plan showing the proposed dates of construction and completion of phased construction for infrastructure, streets, alleys, utilities and all other development. In the case of a phased project, items C and D above may be omitted for future phases; however provisions shall be made within an annexation agreement for submittal of plans and payment of fees for future phases.

Standards of Evaluation

Pursuant to Section 14.01.080, Commission Review, of Hailey Ordinance No. 889, the Commission's review shall be as follows:

Subject to its bylaws, the Commission shall conduct a public hearing to review the application for annexation. The Commission shall review the particular facts and circumstances of a proposed annexation for the purpose of determining (1) whether

the proposed annexation will be harmonious and in accordance with specific goals and policies of applicable components of the Hailey Comprehensive Plan and (2) whether the proposed annexation generally complies with the Hailey Comprehensive Plan. The Commission shall also make a recommendation that the property sought to be annexed should be zoned as one or more particular zoning districts, as more fully described in the Hailey Zoning Ordinance. The Commission shall make findings of fact and conclusions of law relating to the application's general compliance with the Hailey Comprehensive Plan and to the Commission's recommendation for zoning. The Commission shall forward those findings and conclusions in writing to the Council and the applicant.

Annexation Analysis

(1) Whether the proposed annexation will be harmonious and in accordance with specific goals and policies of applicable components of the Hailey Comprehensive Plan

The applicant provided a statement regarding compliance with the Plan, in a document entitled "Life Church Annexation Petition into the City of Hailey". An additional analysis of the Growth Management component of the Plan was also submitted by the applicant.

Specific excerpts from the Growth Management component, which cite policies for annexations, follow:

12.1 Goal: To manage and accommodate growth due to infill development and to control and/or limit expansive development within the City of Hailey, through flexible, responsive, and consistent controls, in order to provide for a community that is well-defined in terms of distinct boundaries, compact in terms of human scale elements and distances between structures and uses, and surrounded by and integrated with green space. To provide for alternative modes of transportation, sustainable economic development, a balanced mix of housing, serviceable annexations and adequate infrastructure.

- 1. Policy: Ensure that growth does not outpace infrastructure, services or capacity of resources. The following implementation items are considered high priority for the City.**

Implementation:

- e. When considering annexations, evaluate the merits on which the property would benefit the City if annexed. For example, property with existing ground or surface water rights or other similar resources would be a greater benefit to the City than property without.**
- f. Ensure that existing infrastructure and proposed infrastructure provided by an applicant can accommodate any proposal for annexation.**

- g. Continue to evaluate the adequacy of the City water supply to meet current and future demands. Where available, require sufficient water rights be provided by applicants for the uses proposed within lands considered for annexation.**

The subject property does not have any water rights. A benefit to the City would be the ability to extend water and sewer services to the subject property, thereby eliminating the possibility of groundwater contamination or contamination of the Big Wood River from a faulty septic system. The Commission was concerned with this, however, generally felt that the application was not well defined and they could not find that it was a “serviceable annexation”.

- 3. Policy: Support infill development, generally the preferred method of growth, while recognizing that expansion of city boundaries will also be required to accommodate various uses compatible with this Plan.**

Implementation:

- a. Carefully analyze for general compliance with this Comprehensive Plan all applications for the expansion of city boundaries. Annexations and extension of full city infrastructure should occur only as infrastructure and city services can be feasibly provided.**

Without more detail regarding the uses proposed for the subject property, the Commission could not find that the application was in compliance with this policy of the Plan.

- 5. Policy: Ensure that development, both within current city limits and in future annexation areas, pays all cost associated with additional services required. Future growth should pay for itself.**

Implementation:

- a. Based on information gained through the examination of levels and costs of services, maintain an appropriate method of calculating basic annexation fees, which may be augmented by site specific exactions or dedications.**
- b. Consider site specific needs related to each annexation application and ensure the collection of fees, development of infrastructure, or other exactions appropriate to those needs.**

While the fiscal impacts of a proposed annexation are reviewed by the City Council, the Commission could not find that the details of the proposed annexation were adequate for such an analysis.

- 6. Policy: Ensure that community and neighborhood character is provided for future development through the use of innovative design, diversity of housing, and individuality of homes.**

Implementation:

- a. Consider development standards that will promote and ensure compatibility between different types of residences in new subdivisions and annexations.**

As noted above, the Commission could not make a positive finding due to the lack of an overall plan for the entire 10.68 acres. The future development of the areas that would remain in the County under the three new options, which had been part of the original application, was left in question.

(2) Whether the proposed annexation generally complies with the Hailey Comprehensive Plan.

Based on the findings on the specific goals and policies noted above, the Commission could not find that the proposed annexation generally complies with the Comprehensive Plan.

Zoning Classification Analysis

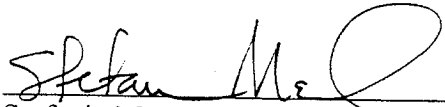
The applicant has requested a zone change upon annexation to General Residential or Transitional for the parcels to be developed. A small area would be zoned Recreational Green Belt.

Since the Commission did not make positive findings relating to the Comprehensive Plan, the Commission did not make a zoning recommendation to the Council.

CONCLUSIONS OF LAW AND RECOMMENDATION

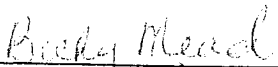
Based on the entire record and the above Findings of Fact, the Commission concludes that the application for annexation of Life Springs is not in accordance with component 12.0, Growth Management, of the Comprehensive Plan, nor in general compliance with the Comprehensive Plan, and recommends that the application be denied.

Signed this 2 day of April, 2007.



Stefanie Marvel, Commission Chair, City of Hailey

Attest:



Becky Mead, Administrative Assistant

Hailey Fire Dept.
617 S. Third Street
P.O. Box 1192
Hailey, Idaho 83333



Chief Michael J. Chapman
Office: 208-788-3147
Fax: 208-788-0279
E-mail:
mchapman2@cox-internet.com

Memorandum

TO: Diane Shay
RE: Life Church Annexation
DATE: January 28, 2008

The following are the comments and concerns of the proposed annexation of the "Life Church" to be located in the area of West McKercher Boulevard.

- 1.) Provisions for future access to properties located to the North and West of this property should be secured through dedicated easements or Stub-outs. Provisions for road extension, fire access, and utilities placement should be required.
- 2.) The annexation and/or impact fees for this area should be reviewed for any necessary adjustment due to escalating building costs, and for properties located beyond the 1.5 mile radius of acknowledged Idaho Survey and Rating Bureau coverage.
- 3.) Other issues that are probably not annexation issues, but are shown on the plans include the need for proper hydrant coverage, fire lane width, and building proximity to fire lanes (i.e. portions of the USFS buildings are in excess of the 150' maximum distance from a fire lane. These issues can be resolved as the development plans are received.

Please feel free to contact me should you have any questions or comments concerning any of these items.

A handwritten signature in black ink, appearing to read "Michael Chapman". The signature is written in a cursive, flowing style.

Diane Shay

From: kelly.schwarz [kelly.schwarz@haileycityhall.org]
Sent: Tuesday, February 12, 2008 3:25 PM
To: 'Diane Shay'
Subject: RE: Life Church annex

Di,
This is what I could come up with.

1. Curb & Gutter will need to be City Standard.
2. Weed control will be need on all phases until completion.
3. Pedestrian Crossing signs will need installed to M,U,T,C,D Standards.
4. Will the portion of Mckertcher Blvd that is going to be extended be public or private? ADA Requirements will need to be addressed in the drop off area.
5. Will snow removal need to be addressed by the City of Hailey?
6. There will need to be on sight drainage on all parking lots with City of Hailey standard drywells and I,D,W,R inventory forms filed for each drywell.
7. River St & Mckertcher Blvd will need a traffic calming area installed in the intersection.
8. The right of Way drainage off of River St will need to be addressed on the southern most entrance on River St.

From: Diane Shay [mailto:diane.shay@haileycityhall.org]
Sent: Monday, February 11, 2008 3:12 PM
To: 'Tom Hellen'; 'kelly.schwarz'
Subject: Life Church annex

Would either of you want to comment? I don't have anything from you guys on the Life Church Annexation and I'm trying to draft a report for Beth before I go....

Di

MEMO

DATE: 11 February 2008
TO: Beth Robrahn, Planning Director
FROM: Hailey Parks & Lands Board
RE: **Life Church Annexation**

The Hailey Parks & Lands Board reviewed the Life Church Annexation proposal at their Regular Board Meeting held February 5, 2008. John Gaeddert was present for the applicant; Bege Reynolds, President, and Jay Hedrick, Board member, were present for Hailey Ice, Inc., a community volunteer group that is trying to build a permanent ice rink with refrigerated ice. Hailey Ice and the City of Hailey have applied to Blaine County for a CUP to build the rink at Lions Park, and the co-applicants intend to withdraw that application, although the City of Hailey is committed to providing a permanent home for the rink. Hailey Ice feels that it is critical to break ground this spring so as to not lose credibility and community support, and their Board has voted to accept Life Church's offer of a site for the rink.

John presented the proposed site plan for the Life Church property with the rink shown running roughly north-south along the western perimeter of the property adjacent to and behind Marketron. The 1.7 acres for the rink and parking would be zoned RGB (Recreational Green Belt), with the rest of the property zoned Transitional. Hailey Ice is sensitive to the existing neighbors, but feels that the rink at this location can be heavily buffered and hopefully realigned to pull it away from neighboring residences. The location and site offered by Life Church is adequate for their needs.

The Hailey Parks & Lands Board is in support of the annexation proposal because of the community benefits derived from the ice rink, and with the proper balance of parking and green space, could be a nice pocket park in the summer. The Board found that the annexation would benefit the citizens of Hailey, with the following recommendations:

1. That the proposed 1.7 acres be zoned RGB and dedicated to the city
2. That the RGB property be used for the Hailey Ice Rink, to be built by Hailey Ice, Inc. and in turn dedicated to the City.
3. That the RGB property be connected to and developed in a useful manner with Albertson's existing picnic area and Empty Saddle Trail to the south.
4. That the Parks & Lands Board have future Design Review approval of the Hailey Ice Rink and development of the RGB parcel prior to construction.

MEMO

DATE: February 22, 2008
TO: Mayor and City Council
FROM: Becki Keefer, Hailey Parks Project Coordinator
RE: **Hailey Ice Rink**

History:

Hailey Ice, Inc. is a volunteer 501(c)(3) Idaho corporation whose goal is to build a permanent refrigerated ice rink in Hailey. The same group has provided the ice rink at McKercher Park for ten years; that rink is an asset that is greatly valued and used extensively by our community.

In 2001 and 2002, Hailey Ice began searching for a site in Hailey for a permanent rink. In 2002, the Hailey Parks & Lands Board developed a Master Plan for Lions Park that included a permanent ice rink, improvements to the river and riverbank for a whitewater park, restoration of the Croy Creek Wetlands, improved access and parking, and an elimination of vehicular access to the south part of the park. The plan was developed with input from the public, the various special interest groups and professionals.

In 2003, the city adopted the Lions Park Master Plan, and Hailey Ice, Inc. received approval from the Mayor and Council to locate the rink at Lions Park subject to County approval. Working from the needs identified in the Master Plan, the city secured an easement for a relocated entrance to the park from the property owner to the west, and began conversations to provide an emergency/safe pedestrian access across the river.

In November 2006, the City of Hailey and Hailey Ice, Inc. submitted a joint application to Blaine County for a CUP for the ice rink at Lions Park. The Application was heard in three public hearings by the Blaine County Hearing Examiners, the last held in July 2007.

Although the closest neighbors in China Gardens were, for the most part, supportive of the project, several concerns were raised by the County and by the adjacent property owner across the river, Bullion Partners. As the City could not address environmental questions stemming from the former use of the property as a dump, an application for a Brownfields Assessment Grant from the Idaho Department of Environmental Quality (DEQ) was approved by the Council in January 2008.

At the beginning of February 2008, the Hailey Ice, Inc. Board of Directors voted to withdraw their application from the County for the ice rink at Lions Park.

Summary of Facility:

The rink would consist of a concrete slab with an embedded salt brine refrigeration system, covered with shading like that used at the Sun Valley Outdoor Rink, with the rink surrounded by hockey boards and plexiglass panels. Three small buildings would house the mechanical system, Zamboni and skating equipment. Lighting would be suspended under the shading and would be compliant with Hailey's Lighting Ordinance. The rink would cease operation by 10 pm Sunday through Thursday and 11 pm on Friday and Saturday.

The rink would be built by Hailey Ice, who would donate the facility to the City of Hailey and manage the ice in the winter. Summertime use of the facility would be managed by the city, and the concrete slab could provide a number of public uses, or simply secured with a fence to discourage trespassing.

Hailey Ice feels a certain responsibility to their community donors, and feels that it is critical to break ground this year so as to not lose credibility and community support. The city has stated that it is committed to providing a site for a Hailey Ice Rink.

Alternative Sites:

Lions Park was initially chosen as the site for the rink as it is currently underutilized, shaded by Della Mountain in the winter, is a couple hundred yards from existing neighbors, and initially appeared relatively available for construction. However, from the very start, both the city and Hailey Ice recognized that Lions Park needed infrastructure improvements.

Other alternative sites in and adjacent to Hailey were explored, including the Rodeo Grounds. In 2002, the Parks & Lands Board felt that the Rodeo Grounds would be the best site for the Ice Rink (infrastructure already exists), but with the unknowns of the Sawtooth Rangers' lease, the Board supported the Lions Park site.

In August 2007, representatives of the Life Church property north of Hailey approached Hailey Ice with a proposal to locate the rink on their property. Although the site proposed is within fifty feet of the nearest existing neighbors, creating a need to mitigate rink use to minimize the impact on those neighbors, Hailey Ice feels that the site would be adequate for their needs. Hailey Ice is aware, however, that the Life Church Annexation has not yet been approved. That application will be heard by the Council in March 2008.

Hailey Ice remains interested in the Rodeo Grounds, and has found other rinks that are converted into rodeo use in the summer. The 4th of July Rodeo can still stay at the site, but in a new and improved arena shared with the rink. When not used as an ice rink or rodeo, the shaded concrete slab could be used as a venue for events like Springfest or other community gatherings. The Rodeo Grounds (or Wertheimer Park, in honor of the original land donor) would greatly benefit from the same Master Plan process used for Lions Park, in which a number of public uses could be discussed and planned, such as a Chamber Visitors Center with public restrooms, a skateplaza, green picnic lawns, the rink and rodeo arena, and improved access and parking.

In Conclusion:

Hailey Ice, Inc. wants to build their rink this year, and just needs a site to build it on, with the appropriate approvals. Their Board has voted to withdraw the application from Lions Park, and the City of Hailey should do the same.

WOOD RIVER LAND TRUST



Beth Robrahn
Planning Director, City of Hailey
115 Main Street South, Suite H
Hailey, ID 83333

4 March 2008

Dear Ms. Robrahn:

Please accept these comments from Wood River Land Trust regarding the annexation application from the Life Church in Hailey, Idaho. The Land Trust protects and restores land, water, and wildlife habitat in the Wood River Valley and its surrounding areas. We work cooperatively with private landowners and local communities to ensure these areas are protected now and for future generations.

Based on our review of maps submitted by the applicant, we see an opportunity for the creation of public access to adjacent BLM lands and the Big Wood River as a community benefit. The western tip of the Life Church Property touches land managed by the Bureau of Land Management and crossed by the Big Wood River. Currently, the nearest river access locations are approximately 0.5 mile north (Flying Heart Ranch/River Grove Subdivision) and 0.75 mile south (Lions Park & Draper Wood River Preserve) of this potential access (*Fishing and Recreation in the Wood River Valley, Idaho: Map and Guide, 2004*).

Recognizing the City's discretion in approving annexation proposals, we encourage the City to consider the community benefits of requesting a public access easement across the Life Church Property for recreational activities on neighboring public lands and the Big Wood River. The attached map (*Potential Public Access Across Life Church Property*) illustrates just two possible routes (#1 & #2) for such access. Such River access is also consistent with Section 1.1.2a of the Comprehensive Plan that intends to: "Preserve and establish water-related recreation opportunities" by attempting to: "Establish and maintain public access to the River at as many points as possible." Such access could also provide pedestrian access between River Street, a recognized pedestrian and bicycle route in the City of Hailey, and the Big Wood River (Hailey Comprehensive Planning Map May, 2005: Park, Trails and Green Space Map).

Blaine County Code, the alternative set of standards for subdivision proposals outside city limits, states:

The [Board of County Commissioners] may require an access easement to publicly administered land, streams, rivers, lakes and reservoirs. An applicant shall clearly delineate for the public the location of any access easement by appropriate signage and rail fencing, and create an obligation by the homeowners' association to maintain unrestricted passage by the public. The board may require a bike path connector to the existing recreation district trail system or an easement for a future trail system connection. [Design Standards 10-5-3; J. Access Easements]

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www.woodriverlandtrust.org

Potential Public Access Life Church Property

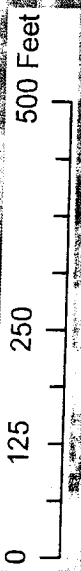


Sources: roads & parcel data = Blaine County GIS; 2006 orthophoto = USDA-FSA-APFO; Big Wood River digitized by Alpine Enterprises, Inc.; public land boundaries estimated by WRLT staff. Prepared by WRLT on 4 March 2008.

Potential Access Routes

Life Church Property

BLM Lands



WOOD RIVER LAND TRUST

4.6 TRANSITIONAL DISTRICT (TN)

4.6.1 Purpose.

The purpose of the TN District is to provide a buffer zone between residential and business areas. The zone provides for restricted business activities within residential areas which are directly adjacent to or across a street or alley from established business zones. Uses shall be limited to those that generate relatively little traffic. The residential integrity of the area shall be maintained by preserving the existing buildings and requiring new building designs in keeping with the residential nature of the area, and requiring adequate on-site parking. The term "Transitional" does not imply that the properties within the district will be transitioning from residential to business zoning.

4.6.2 Permitted Uses.

Permitted uses for the TN District are limited to the following:

- a. Single Family Dwellings.
- b. Dwelling Units within Mixed Use Buildings.
- c. Home Occupations.
- d. Professional Offices
- e. Day Care Homes.
- f. Day Care Facilities.
- g. Manufactured Homes.
- h. Churches.
- i. Parks.

4.6.3 Conditional Uses.

Conditional uses in the TN District are limited to the following:

- a. Multi-Family Dwellings.
- b. Non-profit recreation center.
- c. Bed and Breakfast Inn.
- d. Day Care Centers.
- e. Personal Services.
- f. Public Service, Public Use and Public Utility Facilities.
- g. Semi-Public Uses.
- h. PWSF's or WCF's, attached to street poles and mounted on existing buildings or structures, upon the issuance of a Wireless Permit in accordance with the provisions of Article VIII A of this Ordinance. (Freestanding towers are prohibited.)
- i. Above ground flammable and combustible liquid tanks utilized by a public use.
- j. Temporary Structures.

4.6.4 Accessory uses.

Accessory uses in the TN District are limited to the following:

- a. Greenhouse/private.

- b. Storage buildings.
- c. One Dwelling Unit on lots of 7,000 square feet or larger, accessory to a Single Family Dwelling Unit or to a non-residential Principal Building. Primary vehicular access to any Accessory Dwelling Unit shall be from a City street or alley. All Dwelling Units shall have adequate water and sewer services installed to meet City Standards.

4.6.5 Bulk Requirements. For other supplementary location and bulk regulations, see Article VII.

- a. Minimum Lot size - six thousand (6,000) square feet except as follows:
 - 1. Townhouse sub-lots shall have an aggregate density of no more than ten lots per acre.
- b. Maximum Multi-Family and Mixed Use Residential Density - One (1) Dwelling Unit for each one-tenth (1/10) of an acre.
- c. Minimum Lot Width - fifty (50) feet except as follows:
 - 1. Townhouse sub-lots shall conform to the standards established in the IFC.
- d. Maximum Building Height - thirty five (35) feet.
- e. Minimum Front Yard Setback - twenty (20) feet.
- f. Minimum Side and Rear Yard Setback - ten (10) feet except as follows:
 - 1. Townhouse Units shall be allowed zero setbacks from the lot lines created by a Townhouse Sub-Lot; and
 - 2. The separation of the buildings containing Townhouse Units in a Townhouse Development parcel shall be not less than six (6) feet as measured between any wall or any projection of a building, including but not limited to eaves, cornices, canopies or other similar roof overhang features, pergolas, chimney chases, bay windows, decks, steps, wainscot, and utility meters; or the minimum distance required by the IBC and IFC, whichever is greater.
- g. Maximum lot coverage – 30% except as follows: 40% lot coverage shall be allowed where at least 75% of required parking spaces are enclosed within a structure.

4.3 GENERAL RESIDENTIAL DISTRICT (GR)

4.3.1 Purpose.

The purpose of the GR District is to provide areas for a variety of residential uses, and a limited number of other uses compatible with this type of residential development. The intent is to preserve the favorable amenities associated with a residential neighborhood.

4.3.2 Permitted Uses.

Permitted uses for the GR District are limited to the following:

- a. Parks.
- b. Single Family Dwellings.
- c. Multi-Family Dwellings.
- d. Churches.
- e. Schools.
- f. Home Occupations.
- g. Day Care Homes.
- h. Day Care Facilities.
- i. Manufactured Homes.

4.3.3 Conditional Uses.

Conditional uses for the GR District are limited to the following:

- a. Bed and Breakfast Inns.
- b. Boarding and Rooming Houses.
- c. Day Care Centers provided no more than eighteen (18) children will be cared for at any one time.
- d. Public Service, Public Use and Public Utility Facilities.
- e. Semi-Public Uses.
- f. PWSF's or WCF's, attached to street poles or mounted on existing buildings or structures, upon the issuance of a Wireless Permit in accordance with the provisions of Article VIII A of this Ordinance. (Freestanding and lattice towers are prohibited.)
- g. Above ground flammable and combustible liquid tanks utilized by a public use.
- h. Temporary Structures.
- i. Horses. A maximum of two (2) horses per acre on lots of one (1) acre minimum size.

4.3.4 Accessory Uses.

Accessory uses for the GR District are limited to the following:

- a. Greenhouse/private.
- b. Garages.
- c. Storage buildings.
- d. Swimming pools.
- e. One Accessory Dwelling Unit on lots of 7,000 square feet or larger, accessory to a single family dwelling unit or to a non-residential Principal Building. Primary vehicular access to any accessory dwelling unit shall be from a City street or alley. All Accessory Dwelling Units shall have adequate water and sewer services installed to meet City Standards.

4.3.5 Bulk Requirements. For other supplementary location and bulk regulations, see Article VII.

- a. Minimum Lot size - six thousand (6,000) square feet except as follows:
 1. Townhouse sub-lots shall have an aggregate density of no more than ten lots per acre.
- b. Maximum Multi-Family Residential Density - One (1) dwelling unit for each one-tenth (1/10) of an acre.
- c. Minimum Lot Width - fifty (50) feet except as follows:
 1. Townhouse sub-lots shall conform to the standards established in the IFC.
- d. Maximum Building Height - thirty five (35) feet.
- e. Minimum Front Yard Setback - twenty (20) feet.
- f. Minimum Side and Rear Yard Setback - ten (10) feet except as follows:
 1. Townhouse Units shall be allowed zero setbacks from the lot lines created by a Townhouse Sub-Lot; and
 2. The separation of the buildings containing Townhouse Units in a Townhouse Development parcel shall be not less than six (6) feet as measured between any wall or any projection of a building, including but not limited to eaves, cornices, canopies or other similar roof overhang features, pergolas, chimney chases, bay windows, decks, steps, wainscot, and utility meters; or the minimum distance required by the IBC and IFC, whichever is greater.
- g. Detached Accessory Dwelling Units shall have a minimum gross floor area of 300 square feet and a maximum gross floor area of 950 square feet.
- h. Total lot coverage of all buildings on any property which includes an accessory detached dwelling unit shall not exceed 40%.
- i. Riparian Setback. Unless otherwise provided for herein, all permanent buildings and structures shall have a one hundred foot (100') wide Riparian Setback from the Mean High Water Mark of the Big Wood River. Removal of live vegetation or excavation within the Riparian Setback is prohibited, except for any tree that has been recommended for removal by a certified arborist, in writing, because the tree has been found to potentially endanger the resident(s) of the property on which it is located or any member of the public, or has become hazardous to any street, alley or other public right-of-way or public utility, or because the removal of a tree would substantially improve the health of other trees on the property. Pruning of trees and planting of riparian trees, shrubs and ground cover within the Riparian Setback are allowed, provided however, that all plantings conform to the criteria for evaluation in Section 4.10.7.2(k) of this Ordinance. Where the application of the one hundred foot (100') Riparian Setback and other applicable setbacks will result in a building site of one thousand (1000) square feet or less, the Riparian Setback may be reduced to such an extent that the building site is one thousand (1000) square feet; provided however, the Riparian Setback shall not be less than fifty feet (50').

**ARTICLE IV
ESTABLISHMENT AND PURPOSE OF ZONING DISTRICTS**

The following zoning districts are hereby established:

4.1 RECREATIONAL GREEN BELT DISTRICT (RGB)

4.1.1 Purpose.

The purpose of the Recreational Green Belt District shall be to provide areas for public recreation and/or to create and preserve open and/or green space areas for aesthetic and public use. All uses within the RGB District shall be compatible with the protection of natural and scenic resources for the benefit of present and future generations.

4.1.2 Permitted Uses.

Permitted uses for the RGB District are limited to the following:

- a. Parks, including structures and/or buildings integral to the parks.
- b. Non-motorized, recreational pathways.
- c. Public golf courses

4.1.3 Conditional Uses.

Conditional uses for the RGB District are limited to the following:

- a. PWSF's or WCF's, attached to street poles or mounted on existing buildings or structures, upon the issuance of a Wireless Permit in accordance with the provisions of Article VIII A of this Ordinance. (Freestanding and lattice towers are prohibited.)
- b. Municipal Uses limited to water storage and well facilities.
- c. Temporary Structures
- d. Public recreational or cultural uses.
- e. Structures and/or buildings integral to a golf course such as club houses, maintenance buildings, and rest rooms.
- f. Employee housing for golf courses or recreational facilities.
- g. Storage buildings with a gross floor area of greater than 120 square feet.

4.1.4 Accessory Uses.

Accessory uses for the RGB District are limited to the following:

- a. Storage buildings with a gross floor area of 120 square feet or less, subject to Design Review by the Hearing Examiner.

4.1.5 Bulk Requirements. For other supplementary location and bulk regulations, see Article VII.

- a. Minimum Lot Size - None.
- b. Minimum Lot Width - None.
- c. Maximum Building Height - thirty (35) feet.
- d. Minimum Front Yard Setback - twenty five (20) feet.
- e. Minimum Side and Rear Yard Setback - ten (10) feet.

Contribution Dedication List

- The church gifted ½ the Mc Kercher Blvd road right of way to the City at time that Albertsons was constructed.
- The church has allowed the city to store snow on-site, gratis, for nearly a decade – and would be willing to work with the city to potentially continue this use to lesser degrees into the future.
- Where the property abuts Empty Saddle Trail, additional road right of way will be dedicated as necessary.
- Dedication of at least one acre for park or other uses desired by the city for which we would receive credit against annexation fee payment.

Phasing Plan

- 1st - Upon annexation, application will begin construction of church
- 2nd - Future subdivision of the property per master plan.

Impact on Municipal Infrastructure and Services

- In March 2006 the City contracted with Rich Caplin (\$6,000 reimbursement by Life Church) to perform a detailed fiscal study regarding how this annexation will impact the existing municipal infrastructure and services.
- No new public roads or additional water or sewer main lines are required as the project abuts existing city streets (McKertcher and River). Accordingly, it is anticipated that the contribution of land will more than offset the fiscal impacts of the annexation property on city infrastructure and services.

Well Head Protection

- The proposed annexation will prevent onsite sewer and water systems, thereby eliminating the potential from this property for contamination of the underground aquifer in the well head protection area. (The new city well in the Northridge area is approximately 1,000 feet to the east).

Natural Hazards and Resource Discussion

- Kaz Thea has provided a natural resource analysis (see attached April 14, 2006 letter).

- The property does not show up on the County Avalanche Overlay map and no avalanche debris has been identified onsite.
- The closest avalanche to the property occurred in 1991 in the Empty Saddle Subdivision and did not go across River Trail Road.

Neighborhood Compatibility

- The property is bordered to the west and north by six unincorporated residential lots. Three of the lots are in Mountain View Subdivision and are close to the existing Marketron building, located west of the property and separated by large trees and a grade break. To the northwest is a large tax lot and two River Grove Ranch Subdivision lots, including outbuildings and corrals along the north property line. To the south and east of the project is Albertson's, Marketron, the new theater and State Highway 75 ("SH75"). The signalized McKercher/SH75 intersection is the main access into the property. The proposed "transitional" zoning is appropriate for this transition to 1+ acre county lots into the Marketron-Albertson business area.

Misc. Notes

- Street and utilities currently exist within River Street & Mc Kercher Blvd; future subdivision will provide services as required.

Growth Management. Excerpts and responses to this component of the comprehensive plan are provided below.

12.1 Goal: To manage and accommodate growth due to infill development and to control and/or limit expansive development within the City of Hailey, through flexible, responsive, and consistent controls, in order to provide for a community that is well-defined in terms of distinct boundaries, compact in terms of human scale elements and distances between structures and uses, and surrounded by and integrated with green space. To provide for alternative modes of transportation, sustainable economic development, a balanced mix of housing, serviceable annexations and adequate infrastructure.

This project will create a transition zone between the existing Marketron and Albertson businesses. This will help create a well-defined city edge with the properties on both sides of the Mc Kercher Blvd and River Street now being in the city. This will also give the city design review approval of development at its gateway northern entrance into the city. This is a readily serviceable annexation and infrastructure is available. The 10 acres from a physical design standpoint are already integrated into the city.

3. Policy: Support infill development, generally the preferred method of growth, while recognizing that expansion of city boundaries will also be required to accommodate various uses compatible with this Plan.

Implementation:

a. Carefully analyze for general compliance with this Comprehensive Plan all applications for the expansion of city boundaries. Annexations and extension of full city infrastructure should occur only as infrastructure and city services can be feasibly provided.

Life Church has been providing services to the community for nearly two decades. The existing Life Church facility is inadequate and has challenged the city's, congregation's and neighbor's patience regarding parking for many years. To address these issues, the church has multiple services each weekend and has taken numerous additional steps to make its existing facility work. The expansion of the city's boundaries in this instance will help accommodate a desirable public service organization. Infrastructure and city services can be feasibly provided to this property as a signal, existing roads, and utilities front the entire eastern and southern boundaries of this property.

5. Policy: Ensure that development, both within current city limits and in future annexation areas, pays all cost associated with additional services required. Future growth should pay for itself.

Implementation:

c. Ensure development application fees are adequate to cover City review and expenditures.

Life Church

Annexation Petition Into the City of Hailey

Comprehensive Plan Compliance

Approval of Life Church's application for annexation of a 10.68 acre site into the City of Hailey for a new Church will help implement the clearly stated land use policies established by the City of Hailey. Subject approval will forward city growth policies, including the squaring up of city boundaries, professionally transitioning between a business plaza and rural residential uses, protecting water quality and wellheads, complementing city infrastructure, encouraging pedestrian-friendly design, and encouraging social services and philanthropic community outreach. Approval of this annexation will help implement the provisions of the various component Sections of the City's Comprehensive Plan, as follows.

Introduction Pre-amble Section

This section of the comprehensive plan notes that

The purpose of the Plan is to ensure that expansion of the community in the future retains, enhances, and creates the kind of place prized by the people who live here. The Plan emphasizes the creation of community rather than the mere development of land. The Plan encourages the use of traditional community planning methods which help to create and preserve a population which has ethnic, cultural, generational, and economic diversity; and which create a community in which families can thrive, has attractive homes and neighborhoods, safe streets, clean air and water, open space, cultural amenities, and compact form.

This application to annex the Life Church property is not for a "mere development". Rather, the church congregation has been gathering and operational in the valley since 1979 (previously as the Valley Christian Fellowship), has been and will continue to be an integral part of our community, is based here in Hailey, and truly features "a "population which has ethnic, cultural, generational, and economic diversity". The church has over 150 active members, ranging from infants to near centenarians, and is diverse ethnically. Annexation of subject property will help "create a community in which families can thrive" as Life Church will feature a youth facility, Sunday school rooms, sound room, kitchen for weddings and other events, a sanctuary, and an outdoor

playground and patio area. Programs and worship opportunities help enhance and create the "kind of place prized by people who live here".

As noted by the presence of the existing area of city impact boundary, the city's adopted comprehensive plan land use map, location of city water and sewer services and the recently constructed McKercher Boulevard and signal at the intersection of State Highway 75, subject subdivision and annexation of the Life Church property will complement the Plans noted goals of creating "neighborhoods, safe streets, clean air and water, open space, cultural amenities, and compact form."

Economic Development

As noted in the introductory paragraph of the economic development section,

The economic environment of a planning area, as reflected in population growth and land use patterns, influences the planning and growth policies of residential, industrial and commercial areas and layout of utility systems.

Population growth and land use factors support a finding by the City that "transitional" zoning and annexation of subject Life Church 10.68 acre "planning area" is appropriate and in accordance with the City Comprehensive Plan. The land use patterns established in the existing Marketron and Albertson's North Hailey Plaza Business area, plus the McKercher Boulevard signal and forthcoming connection through Northridge IX, are very vibrant. Traffic flow is significant and economic activity appears quite brisk. Contrasted with the River Grove Ranches (to the north) and Mountain View Subdivision (to the west), the city land use map "transitional" designation for this property seems highly appropriate. Subject transitional designation in ordinance context would "permit" churches, among 7 other uses. Subsequent design review approval of the proposed church facility and other potential uses of the property will assure compatibility for this buffer --"transitional"-- property between existing ranches/homes and existing businesses. The economic environment of this planning area includes significant city infrastructure, e.g., the presence of water and sewer and major road infrastructure, and allows the city and church to appropriately respond to population growth.

As continued in Section 5.4 of the Comprehensive Plan,

Development of a land use plan graphically displays the Goals and Policies within the Comprehensive Plan. A Land Use Plan and map coordinates the Goals, Policies, and Plans therein. A land Use Plan is also used to aid the development of policy implementation programs. It includes the designation of open space and recreational environments, future expansion areas and various land use categories. It is critically important that such a graphical representation of the Comprehensive Plan be developed to aid decision makers and those involved in the guiding of the physical development of Hailey.

As noted, the City has appropriately adopted a Land Use Plan and designated subject annexation petition property as "transitional" and within its area of expansion!

Growth Management

As noted in the Growth Management Section

The growth management process attempts to influence the "primary" characteristics of growth: rate, amount, type, location and quality.

A local government should seek to manage primary growth, thereby limiting negative growth impacts and minimizing fiscal impacts. For example, by directing growth to locations that are already served by water and sewer systems and limiting its rate to a level that can be accommodated by planned public facilities.

Approval of this project will properly forward the above tenets of "primary" growth. The amount of land to be annexed is 10.68 acres and the rate of its development is in the near term. As noted in interviews with city staff and in-field investigations, this project can be annexed to the city with positive impacts on the city's infrastructure. For instance, McKercher Boulevard, which fronts the property to the south, and River Street, which fronts the property on its east, are already city-dedicated, city-improved, and city-maintained streets. Water and sewer services are available. Per future design review of the church facility and any other compatible uses, the project will also be required to complement the quality of design appropriate to the City of Hailey and this northern entrance into the city.

Natural Resources

Section 1.5, sub-section c, under the physical environment part of this section states the following implementation step:

Discourage the use of septic systems within the Area of City Impact, and prohibit the use of any septic systems in any location which is within a delineated wellhead zone.

This application forwards the aforementioned implementation step.

Hazardous Areas

Section 2.8, policy section 2.a, under the man-made hazard part of this section states the following policy and implementation steps:

Regulate uses that are known or suspected to diminish water quality ... [and] adopt a wellhead protection plan and ordinance for the City of Hailey.

Subject property is just across the highway from the city's Northridge wells. The State Health District has requested that the property, which abuts existing city water and sewer lines, be hooked-up to the city's municipal system. Annexation of this property and the provision of services to the future church, helps forward both city and state water quality prerogatives.

Recreation Parks and Lands

Section 4.1 of this section states the following goal:

To create and maintain an interconnected system of parks, recreational facilities, trails, green spaces and natural lands for the community of Hailey in order to provide diverse recreation opportunities for Hailey residents.

The goal established in Section 4.1 is forwarded by this plan, as open space will be integrated to the future design review for the church facility and the desired pedestrian linkage shown on the Recreation Trails Map from the Wood River Middle School through Northridge IX and across the highway continues along McKercher Blvd and River Street.

Population Section

Section 7.1, policy sections 1 and 2, under the first goal of this section states the following policy and implementation steps:

1. Policy. It is the policy of the City of Hailey to generally allow and not restrict the provision of social services to meet the needs generated by any segment of the population.
 - a. Implementation. Coordinate and cooperate with other public entities and social service providers to allow maximum benefit to, and minimum burden on, the general public.
2. Policy. It is the policy of the City of Hailey to generally allow the provision of infrastructure to meet the needs generated by any segment of the population, commensurate with preservation of the quality of life in Hailey and its environs, and which can be sustained economically and affordably by the residents and businesses of Hailey.
 - a. Implementation. Encourage and, where appropriate, require market, private, volunteer and/or philanthropic provision of services and amenities in order to limit tax burden.

Churches, as a rule, provide social services and philanthropic community outreach to the population. Life Church, formerly Valley Christian, has provided just these services and amenities to the valley for 25 years, starting in 1979. Annexation of the property for the transitional uses noted will "ensure that increasing total population does not diminish the quality of life in Hailey and its environs", as directed per section 7.1, goal 1.

The 2nd and 3rd goals of the population section seeks to direct the city on how to respond to population increases. As noted:

Hailey shall provide the greatest good for the greatest number by recognizing, acknowledging, and responding to increasing population growth and its impact on city services and infrastructure.

Maintain and improve the quality of Hailey's social fabric.

To this end, the opportunity for Life Church to construct a new facility on subject annexation property will complement Hailey's social environment, as the church provides an educational environment, programs, cultural events and cultural amenities. As noted in the Public Facilities, Utilities and Services section E, "[s]everal non-profit organizations provide a wide variety of other services to the public which enhance our community." Life church, like the Episcopal, Catholic,

LDS, 4 Square, and other churches in the City of Hailey provide a wide variety of services to the public that enhance our community.

Public Facilities, Utilities and Services

Policy 2 of Goal II, including implementation sub-sections II.2.a of the Public Facilities, Utilities and Services section of the City's Comprehensive Plan encourages the city to

2. Policy: Maintain an understanding of services provided by other entities including non-profit organizations and how they will cover projected needs for residents of Hailey.

a. Implementation: Review and support provision of services by other entities at appropriate locations.

Life Church has outgrown its current facility. The location of the proposed new facility, it is believed, is an "appropriate location" that will assist the Church in continuing to provide non-profit services to city residents and the community at large.

Transportation and Circulation

Policy 3 of Goal I, including implementation sub-sections I.3.a of this section of the City's Comprehensive Plan encourages the city to

3. Policy: Ensure an interconnected community that provides multi-modal access from and to all neighborhoods.

a. Implementation: Provide safe corridors for pedestrians and bicycles throughout our community.

Subject site provides a unique in-town location for church that, like the existing church facility on Main Street in Hailey, is readily accessible by bike, walking and car. The connection through Northridge IX with the new bike path will only improve site accessibility, as will on-site improvements subject to design review with the new church building.

The recommendations of the Hailey Citizens Transportation Ad Hoc Committee are also forwarded with this proposal and on-site improvements anticipated with the design review approval of the church building. For instance, per attachment A of the summary of work/recommendation, as summarized on 10/12/2000, under the remedial design section, this project will help "improve pedestrian/bike crossings throughout town" and "improve access to the bike path throughout

town". The project is complementary to Hailey City Council Resolution 2000-21, as the property served "includes safe access, convenient parking and crossing to allow use of the businesses on and off Main Street ... design for an concern about pedestrians and bicyclists both traveling upon and crossing Main Street."

Community Design

As noted in the 5th paragraph of the community design section,

A strength of the Comprehensive Plan is that it encourages a mix of uses with an emphasis on the pedestrian: commercial and civic needs should be found within a few minutes' walk of homes and streets are detailed to encourage pedestrian flow, from residential to commercial activities, rather than prevent it.

The proposed church and other compatible "transitional" uses provide a very appropriate land use buffer between county density residences and the existing business plaza. The pedestrian flow provided with the Northridge extension and forthcoming along River Street will help complement the city's community design initiative. Subject annexation and its attendant approvals will forward the city's policy of "preserv[ing] community identity per goal 1, policy 7 of this section. Furthermore, this project will help square up the city's boundaries and help create the "juxtaposition" between incorporated and unincorporated areas set forth in sub-section 1.7.a of the community design component of the comprehensive plan.

Conclusion

In summary, approval of this petition for annexation represents good planning, complying with the entirety of the city comprehensive plan components, including: land use, economic development, natural resources, hazardous areas, recreation, parks and lands, population, transportation and circulation, community design and public facilities, utilities and services. Notably, the project squares up city boundaries, professionally transitions between a business plaza and rural residential uses, protects water quality and wellheads, protects our northern entrance, complements city infrastructure, encourages pedestrian-friendly design, and encourages social services and philanthropic community outreach.

Kaz Thea
Wildlife Ecologist
1630 Heroic Rd.
Hailey, ID 83333
208.788.7052

RECEIVED

APR 24 2006

April 14, 2006

Kathy Grotto
Hailey City Planning and Zoning
115 S. Main St.
Hailey, ID 83333

Re: Valley Christian Church Annexation, Tax Lots 6879, 6880, and 7734

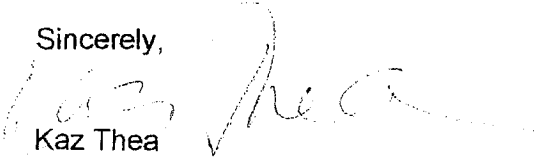
Dear Kathy:

On April 13, 2006, I visited the site referenced above and reviewed the application for annexation into the City of Hailey. I am a professional biologist trained in making wildlife and habitat assessments of land with more than 20 years of experience. The U.S. Fish and Wildlife Service employed me for 10 years conducting work to manage and protect fish and wildlife on public and private property. I would describe this property as providing little if any habitat benefits to wildlife. The site is flat and already very disturbed with little to no native vegetation or habitat structure. The property is not in a wildlife migration corridor as defined by the Idaho Fish and Game, there are no special habitat features on site (i.e., tree structure, healthy native shrub steppe/grassland habitat, water, river front, isolation or important connectivity) that are critical to fish and wildlife. The property is adjacent to business zoning to the south and east (Albertson's store, gas station, and parking lot, Marketron), mixed residential to the south and west, and Highway 75 on the eastern boundary.

It is my professional opinion and determination after visiting the site, looking at the maps, acknowledging the existing adjacent development and Highway 75 on three of the property boundaries, that there will be no wildlife impacts to annexing this property into the City of Hailey. It would be an extension to the City of Hailey's existing building core and adding this to its northern boundary would not have any effects on our Valley's wildlife.

Thank you for the opportunity to comment on this proposal. If you or others in the Department should have any questions regarding this property and these comments, please don't hesitate to contact me.

Sincerely,


Kaz Thea
Wildlife Ecologist

Cc: Janine Bear - Sotheby's International

RECEIVED

APR 24 2006

.....

PHASE 1

ENVIRONMENTAL SITE

ASSESSMENT

OF

TAX LOTS 6879, 6880 AND
7734 (PREVIOUSLY 6878)
BLAINE COUNTY, IDAHO

APRIL/MAY 2005

For More Information Contact:

Jane Rosen

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1.0 INTRODUCTION

1.1 PURPOSE

The purpose of this Phase I Environmental Site Assessment is to identify and assess characteristics of the subject property that would be of environmental concern or, conversely, to reasonably illustrate the lack of site characteristics of environmental concern. Environmental concerns include aspects that would lead to liability in the event of ownership, that have a potential for impact on property value, that would impact the present or future use of the property, and that would create obligations with respect to proper or safe management of the property. Specifically, ACS identified current and prior conditions or practices at this, or neighboring properties, which may have resulted in the release of hazardous materials, thereby adversely impacting the subject site. This report documents ACS's findings, conclusions, and recommendations and is based upon information obtained and observations made on or before May 4, 2005.

1.2 INVOLVED PARTIES

Assessment and Compliance Services (ACS) has been hired by the property owner, The Life Church Wood River, Inc., to perform this Phase I Environmental Site Assessment. This Phase I Environmental Site Assessment is being performed to help identify items of environmental concern on the subject property prior to a proposed annexation into the adjacent City of Hailey.

1.3 SCOPE OF WORK

ACS has conducted this assessment using the American Society for Testing and Materials (ASTM) Environmental Site Assessments: Phase I Environmental Site Assessment Process (E1527). ASTM has developed this assessment process to define good commercial and customary practice in the United States of America for conducting an environmental site assessment with respect to the scope of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and petroleum products. As such, the practice is intended to permit a user to satisfy the requirements to qualify for the innocent landowner defense to CERCLA liability.

It should also be noted that:

No environmental site assessment can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a property. Performance of this assessment is intended to reduce but not eliminate uncertainty regarding the existence of recognized environmental conditions in connection with a property, recognizing reasonable limits of time and cost.

Scope of Work

The scope of work for this project consists of the following tasks:

- Task 1 Perform a site visit to visually assess indication of past and present hazardous materials handling activities and storage areas, including underground storage tanks. In accordance with ASTM standard E-1527, this includes a visual and physical observation of the property and any structure located on the property to the extent not obstructed by bodies of water, cliffs, adjacent buildings, or other impassable obstacles.

- Task 2 Conduct inquiries with select local, State, and Federal environmental regulatory agencies for records and comments that would help determine if past land use of the subject property or adjacent land use has the potential to have an environmental impact on the subject property.

- Task 3 Review selected, available background and historical information such as aerial photographs, topographic maps, fire insurance maps, and available geologic references and reports.

- Task 4 Review reasonably ascertainable history of ownership of the subject property and selectively interview individuals familiar with this property and its management to help determine past and present operational practices.

- Task 5 Compile and analyze all data collected during the investigation in a report. Include photographs and other documentation. If warranted, make recommendations for additional site assessment work.

The scope of work for this environmental site assessment does not include sampling of air, surface water, soil, building materials, or ground water.

2.0 GENERAL SITE CHARACTERISTICS

2.1 LOCATION

Assessor's Parcel: RP 02N180092920 A
Legal Description: Tax Lot 6879; Located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 9 T2N R18E
Physical Address: No physical address provided

Assessor's Parcel: RP 02N18009292A A
Legal Description: Tax Lot 6880; Located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 9 T2N R18E
Physical Address: No physical address provided

Assessor's Parcel: RP 02N180042470 A
Legal Description: Tax Lot 7734; Located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 4 T2N R18E
Physical Address: 11720 Highway 75, Blaine County, ID

2.2 ADJACENT PROPERTIES

The subject property is located just west of the City of Hailey limits in Blaine County, Idaho. The zoning of the subject property is R-1, Low Density Residential per the Blaine County Planning and Zoning Office. The immediately surrounding properties are as follows:

- North: A horse pasture and barn in River Grove Ranch and a residentially used tax lot is adjacent to the north side of the subject property.
- East: Highway 75 is adjacent to part of the east side of TL 7734. Albertson's Grocery Store and Gasoline Station and Marketron, Inc. is adjacent to the east side of the remainder of the subject property.
- Southwest: Residential lots (some bordering the Big Wood River) are located SW of the subject property. Empty Saddle Trail borders the south side of TL 6880.

Other properties in the nearby area include residential and commercial properties. Nothing unusual was noted in the subject area. The nearest operating gasoline station is Albertson's, located across the street from the subject property.

2.3 SITE DESCRIPTION AND CURRENT SITE USES

The subject property consists of a three vacant tax lots totaling 10.69 acres (according to Blaine County Assessor's Office records). Tax Lot 6880 was previously part of the Cramer Ditch and presently consists of a dry gully that at one time carried water from the Big Wood River. There was some garbage strewn on the property and evidence of campsites. Part of the property has been used for snow storage. Some old fencing and wood framed structures (appearing to have been used to hold hay) were present on the property. A van "For Sale" and a fallen down sign stating "Future Home of the Valley Christian Center/Academy" were located near Highway 75. Piles appearing to be construction debris were also observed.

3.0 ENVIRONMENTAL SETTING

The following information is provided to get an idea of the probable direction and rate of travel of potential contaminants at or near the subject property. In addition to the topography of the land, location of surface waters and prevailing wind conditions, the soil conditions and depth to groundwater are also important factors in determining contaminant movement. A contaminant can normally travel faster through soil which is more porous or has a higher permeability. Hard, dense material, such as bedrock, may inhibit downward or lateral movement, except as marred by occurrences such as cracks and fissures. Additionally, once a contaminant has reached a water source, be it surface or groundwater, it can travel at a much faster rate. This could result in larger clean-up areas and therefore greater cleanup costs, as more of an area may be affected. In some cases, water (or time) could dilute a contaminant to below threshold levels.

The following information is general in nature. It should be noted that general features could be changed by local occurrences. No sampling was performed as part of this report to verify local features. Therefore, the following information is only a likely description of the features in the area of the subject property. In order to verify the subject property conditions, testing must be performed.

3.1 REGIONAL PHYSIOGRAPHIC CONDITIONS

The subject property is located just outside the northwest end of the city of Hailey in Blaine County, Idaho. Hailey lies in a mountainous zone between the desert to the south and the rugged alpine Sawtooth Mountain region to the north. The elevation of the subject property is approximately 5,300 feet above sea level with an abrupt elevation change from the valley to the surrounding peaks extending over 7,000 feet above sea level. The subject property is within the Big Wood River Valley and is located 200 feet east of the Big Wood River (at the closest point) which flows in a south/southeasterly direction in the area of the subject property. The topography near the subject property generally slopes down slightly to the southwest, toward the direction of flow of the Big Wood River.

Summers typically have warm days and cool nights with winter weather being typical of mountain valleys of this latitude and elevation. In winter, the average temperature is 22 degrees F at Hailey and the average daily minimum temperature is 11 degrees. In summer, the average temperature is 64 degrees and the average daily maximum temperature is about 81 degrees. The total annual precipitation is about 17 inches in Hailey. Of this, about 40% usually falls in April through September. The average seasonal snowfall is 86 inches at Hailey. The prevailing wind is from the southeast. Average wind speed is highest, 11 miles per hour, in spring.

3.2 SOIL CONDITIONS

The specific soil classification of the subject area was obtained from the United States Soil Conservation Service Soil Survey of Blaine County. The subject property is generally within the following soil area: 7, Balaam-Adamson complex, cool 0-2% slopes and 8, Balaam-Adamson-Riverwash complex, 0-2% slopes.

Soil #	Description	Location	Parent Material	Depth/ Drainage	Permeability	Water capacity/ Runoff	Major Uses	Precipitation/ Ave. annual temp
7	Balaam gravelly sandy loam, 0-2% slopes (50%)	Convex areas of stream terraces; 5,200 to 6,000 feet	Alluvium derived from various kinds of rock	Very deep/somewhat excessively drained	Moderately rapid in the upper 17 inches; very rapid below this depth	Very low/very slow	Hayland and pasture	16 inches/ 41 °F
7	Adamson fine sandy loam, 0-2% slopes (35%)	Concave areas of stream terraces; 5,200 to 6,000 feet	Alluvium derived from various kinds of rock	Very deep/well drained	Moderately rapid in the upper 22 inches; very rapid below this depth	Low/very slow	Hayland and pasture	16 inches/ 41 °F
8	Balaam gravelly sandy loam, flooded, 0-2% slopes (35%)	Flood plains at elevations of 4,700 to 6,000 feet	Alluvium derived from various kinds of rock	Very deep/somewhat excessively drained	Moderately rapid in the upper 17 inches; very rapid below this depth	Very low/very slow	Wildlife habitat	15 inches/ 42 °F
8	Adamson fine sandy loam, flooded, 0-2% slopes (25%)	Flood plains at elevations of 4,700 to 6,000 feet	Alluvium derived from various kinds of rock	Very deep/well drained	Moderately rapid in the upper 22 inches; very rapid below this depth	Low/very slow	Wildlife habitat	14 inches/ 42 °F
8	Riverwash 20%; contrasting inclusions 20%	Braided channels of major rivers and streams	Sandy, gravelly or cobbly sediment, commonly occurring as gravel bars or sand bars	Not provided	Not provided	Not provided	Not provided	Not provided

From this information, it appears that contaminants present on the surface of the soil would move moderately rapid in the upper 17-22 inches and then very rapidly toward the subsoils and groundwater below. It should be noted that this information is very general in nature and actual conditions at the property may differ.

3.3 GEOLOGIC CONDITIONS

The subject property is located in the Big Wood River Valley. Geology of the Wood River area is a transition between the Cretaceous and Tertiary intrusive rocks and the Cenozoic terrains of the Snake River Plain volcanic province (Foley and Street, 1985). The valley is comprised of Quaternary terrace deposits which consist of unconsolidated boulders, cobbles, gravels, and sand (Rember and Bennet, 1979). These deposits may be as much as 70 feet thick. Soils of the valley have formed in a mixed alluvial fill. Many of the soils are quite gravelly and most are underlain by gravels and cobbles at moderately shallow depths. For the most part, these alluvial soils are well drained and textures are mostly medium (McClain and Eastlake, 1979).

3.4 GROUNDWATER CONDITIONS

Data indicates that the water quality of the ground water in the valley is better than that required by State and local water quality standards. Groundwater is used for irrigation and drinking water in the Big Wood River area. Groundwater in an alluvial-filled valley with an unconfined, homogeneous aquifer would be expected to move in a downstream direction toward the topographically low portion of the basin. This is the general flow pattern in the subject area, except as locally modified by geologic boundaries such as faults, bedrock, and lateral changes in permeability in the alluvial fill of the valley. Large-scale recharge to or discharge from the groundwater system also alters the flow pattern in the vicinity of the recharge or discharge area.

The following groundwater information was provided by the Idaho Department of Water Resources (DWR):

- Results of an Idaho Statewide Ground Water Quality Monitoring Program were provided by the DWR. The closest well information provided was for a well located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 9 T2N R18E (located about .25 miles S/SE of the subject property; depth to aquifer = 58 feet). The analysis results for this well and others in the area were better than that required by the State Water Quality Standards. None of the pesticides or volatile organic compounds that were tested for were detected.
- The DWR faxed ACS a graph entitled "Elevation of a Horizon: Water Level 1/70 to 1/94" which depicts the subject area. According to this diagram, the water level near the subject property is about 5,325 feet above sea level. The gradients show the water flowing in a southerly direction. Based upon an approximate surface elevation of 5,330 to 5,340 feet above sea level, the approximate depth to groundwater would be about 5 to 15 feet below ground level.
- The DWR faxed ACS a list of wells in the subject area and their depth to groundwater. The wells closest to the subject property include several in the SW $\frac{1}{4}$ of Section 4 with water levels ranging from about 9-15 feet below ground level and in the NW $\frac{1}{4}$ Section 9 with a water level ranging from 12-19 feet below ground level.

- ACS researched permitted wells in the subject area with the DWR. There were 5 wells located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ S4; static water levels ranged from 12 to 30 feet below ground surface. 20 wells are located within the N $\frac{1}{2}$ NW $\frac{1}{4}$ S9; static water levels ranged from 0 to 19 feet below ground surface. None of the contact names listed matched past owners of the subject property.

From the above information, it appears that the ground water near the subject property flows in a southerly direction and is likely fairly shallow (< 20 feet below ground surface); previous tests have shown that nearby groundwater is better than that required by State Water Quality Standards.

4.0 RESULTS OF INVESTIGATION

4.1 SITE INSPECTION OBSERVATIONS

A site inspection was performed by Ms. Jane Rosen of Assessment and Compliance Services (ACS) on April 26, 2005. During the site visit a physical inspection of the subject property was performed to examine the property for evidence of hazardous materials, hazardous wastes, and other items of environmental concern. In addition, the immediate surrounding area was examined for environmental impairments or evidence of activities that could potentially affect the environmental integrity of the subject property.

A property representative did not accompany ACS during the site visit. At the time of the site visit, the subject property consisted of vacant land. In performing the site visit, ACS walked the perimeter of the property and walked through the interior of the property so that all areas were visible. The view of the property was hindered in certain areas by thick vegetation. Snow did not cover the ground with the exception of one large pile (approx. 75' x 20') that appeared to have been piled up with a snow plow. Several property perimeter markers were observed during the site visit, verifying most of the perimeter of the subject property, however, the entire property was not marked at the time of the site visit and the division between the three individual tax lots was not always apparent.

The property is located just outside the Hailey City Limits. It is not connected to city services. City water and sewer services are available at the adjacent land within the city limits. The subject area is serviced by electric power and natural gas; on-site garbage pick up is available in the area.

Following is a description of pertinent observations:

Tax Lot 7734 (formerly 6878)

- This tax lot extends from the old Cramer Ditch, east to Highway 75. The paved W. McKercher Blvd., extending from the traffic light on Highway 75 and around Albertson's, is adjacent to the southeast end of this lot. The lot slopes down slightly from Highway 75 and generally slopes down toward the southwest. There is concrete curbing along the street and a small "corner" of sidewalk at Main and W. McKercher Blvd. There are several slopes and gullies on the property, possibly old irrigation ditches. Trees are located along the low side of these ditches, though much of the center and east end of this tax lot is not treed. The west end of the property extends to a triangular point toward the old Cramer Ditch and is more vegetated. Wood, split rail fencing extends along the north side of this lot. There was a van "For Sale" at the east side of this lot. There was also two wood posts and a fallen down sign stating "Future Home of the Valley Christian Center/Valley Christian Academy". There were two wood framed stands near W. McKercher Blvd.; these are now filled with bushes and appear to have been used to hold

hay for feeding livestock. What appeared to be a culvert and gate was observed near the west end of this lot. Near the west end of this lot were also some hay bales that had apparently been used for a bed, with a blanket over them. A tire was also observed in this area.

Tax Lot 7734 (formerly 6878)

- This is a triangular shaped tax lot that extends between the old Cramer Ditch (TL 6880) and TL 7734. Part of the east side of this lot is along River Street as it extends behind Albertson's. The area adjacent to the road is landscaped with grass, an underground sprinkler system and plastic fencing. Part of this lot abuts the adjacent Marketron, Inc. property. Much of this lot is heavily vegetated with trees and bushes; the center of the lot is a vacant field. It appeared that this lot has been used for snow storage, as evidenced by a large mound of dirty snow. Further back is an older volleyball net set up. There was some old fencing observed near the west end of this lot (wood post, some metal post and wire). There was what appeared to be a campsite made at the west end of this lot (or possible adjacent lots). A shelter was made using the base of a fallen tree as one side and a teepee-like structure built around the other sides. There were several campfire rings observed nearby.

Tax Lot 6880

- This lot encompasses part of the old Cramer Ditch. It is shaped as a long thin strip, making up the SW border of the subject property, extending from the west corner of the property to Empty Saddle Trail to the south. It is basically a dry ditch (approximately 7-10' deep) and the banks of higher elevation at each side. It is significantly vegetated with trees along the banks. Most of the actual ditch is clear of large vegetation and appeared to have a foot trail through the center. There was some old wood and wire fencing along the ditch, most of which had fallen down. There were several piles of what appeared to be construction debris located behind Marketron on this lot or possibly the adjacent lot. One pile appeared to consist mainly of corrugated metal and other metal debris, mixed with dirt; another pile consisted more of mixed wood, metal, concrete and dirt debris, and a third pile consisted of logs. Nearby in the ditch was a large pile of landscape debris (primarily red-twig dogwood branches). There was a section of 1" diameter metal piping (approximately 10' long) observed with each end embedded in the ground. The southeast end of this lot, behind Marketron, appeared to be used as a dirt/gravel covered parking area for Marketron; numerous cars were parked there at the time of the site visit. It also appeared that some of the adjacent homes, west of this lot, had fencing and landscaping encroaching on the subject property, though this was not verified.

General Property Observations

- There was trash strewn throughout the subject property. This trash appeared to be non hazardous and consisted of such items as plastic, cups, bags, food wrappers, paper, wood posts, metal strips, small piles of gravel and asphalt, a towel, gloves, bottles, yellow foam, cardboard, a broom, rebar, etc. The only items observed that had obviously pertained to hazardous/petroleum products included one quart container of motor oil (empty). There were some pieces and piles of rusted metal which may have previously been related to hazardous/petroleum products, however, no evidence of such products were observed. No apparently stressed vegetation, unusual odors, staining, etc. was observed.

Asbestos (Out of Scope Issue)

Before the 1978 EPA restriction on the use of asbestos containing building materials (ACBMs), asbestos was widely used in insulation, flooring materials (including linoleum), roofing materials, and wall materials. Other potential asbestos containing materials include roofing felt, fire retardant paper, electrical insulation and cement asbestos board. The following information regarding potential asbestos containing materials are discussed:

- No debris which typically contains asbestos was observed to be disposed of on the site at the time of the site visit.

Testing is the only way to determine whether potential asbestos containing materials actually do contain asbestos. Since asbestos containing material was not observed to be disposed of on site, ACS observed no evidence to indicate a present asbestos contamination problem on the property.

Polychlorinated Biphenyls (PCBs)

The manufacture, processing, commercial distribution, and use of PCB materials was prohibited as of January 1978, except when contained in a "totally enclosed manner". The Environmental Protection Agency (EPA), however, made case-by-case exceptions to these limitations if it determined that an unreasonable risk of injury to public health or the environment was not present. On January 1, 1979, the manufacture of PCBs was banned; commercial distribution of PCBs was banned on July 1, 1979. Equipment which may contain PCBs include electrical transformers and fluorescent light ballasts. The following is discussed:

- No above ground electrical transformers were observed on the subject property at the time of the site visit. There was a pole mounted transformer observed north of the subject property, along Highway 75 and two pad-mounted electrical boxes behind Marketron; none appeared to be leaking fluids.

- No debris which typically contains PCBs was observed to be disposed of on the site at the time of the site visit.

In summary, no evidence was observed to indicate that the presence of PCBs have affected the environmental integrity of the subject property.

Lead in Paint or Piping (Out of Scope Issue)

Some older paints and piping may contain lead paint or lead solder. The federal government banned lead-based paint from housing in 1978. Many paint manufacturers voluntarily stopped using lead in paint prior to the ban. The use of lead piping for new construction has been banned since 1986. ACS did not dig any dirt, perform any lead paint sampling or sample water to determine if lead contamination has occurred, as part of this scope of work. The following was observed:

- No debris which typically contains significant quantities of lead was observed to be disposed of on the site at the time of the site visit.

ACS observed no evidence to indicate a present lead contamination problem on the property.

4.2 ADJACENT SITE AND VICINITY OBSERVATIONS

As previously mentioned in this report, the surrounding properties primarily consist of commercial, agricultural and residential use. The following pertinent observations were made on the immediately adjacent properties and surrounding vicinity. It should be noted that the surrounding area was observed only from the subject property or public roadways.

- Storm drains were observed on the adjacent River Street, Empty Saddle Trail and Marketron parking lot. Storm drains are of concern as they lead to drywells; therefore, any contaminants that flow into the drains may be present in the subsoils and groundwater below. No indication (odors, staining) of hazardous/petroleum materials entering these drains was observed during the site visit. Although there may be small amounts of petroleum products present in area drainage from vehicles, it would not be expected to be of a quantity that would impact the subject property.
- Albertson's Convenience Store/Gas Station is located across W. Roberta McKercher Blvd. from the subject property. Large quantities of petroleum products are stored/pumped on this property. No visible signs of contamination were observed on this property at the time of the site visit, however, this nearby site will be further investigated for potential problems and documented later in this report.
- Vacant pasture land (horses) and barns are located adjacent to the NE end of the subject property at the adjacent River Grove Ranch, with residences beyond the barn. No tanks

(sometimes present at barn areas) or other containers of hazardous materials were observed. A private residence is located NW of the subject property. A large berm had apparently been constructed around part of this fenced yard. Other residences were present west and south of the subject property. No visible signs of contamination were observed, nor would be expected at these nearby residential/ranch properties.

- Marketron, Inc. occupies a large office building adjacent to the southeast side of the subject property. No hazardous materials were observed outside at this location. It is unlikely that any significant quantities of hazardous materials are stored/used at this site, however, ACS will investigate this location further and document the findings later in this report.
- Across Empty Saddle Trail is another tax lot that is part of the old ditch. At the time of the site visit, construction materials, a lawn mower and other items were stored here. A new movie theatre was constructed this year across Empty Saddle Trail to the SE. Northstar Meadows, residential subdivision is located across the street to the SW. No evidence of a release of hazardous materials was observed in these locations.

In summary, no items of environmental concern were observed on the properties surrounding the subject property at the time of the site visit. No visible signs of environmental impairment were observed in the subject area.

Drainage

The subject area generally slopes down slightly toward the southwest, toward the Big Wood River. The subject property would receive some drainage from the adjacent Highway 75, River Grove Ranch property, other adjacent streets (W. McKercher Blvd.; River Street; Empty Saddle Trail), Albertson's and Marketron; although there may be minor amounts of petroleum products present in drainage from adjacent streets, it would not be expected to be of a quantity that would impact the environmental integrity of the subject property. ACS found no indication that surficial drainage flowing near the subject property from the adjacent properties would be of environmental concern. ACS was not informed of any surficial spills from nearby properties that have migrated toward the subject property. However, ACS will further investigate the potential release of petroleum products at the nearby Albertson's convenience store, as documented here in this report, as large quantities of petroleum are stored/pumped at this location.

4.3 RESULTS OF REGULATORY AGENCY REVIEW AND FILE SEARCH

Regulatory Agency Information

Public records, available from local, State and Federal regulatory agencies, were reviewed to identify hazardous material incidents which may have affected the environmental integrity of the subject property. Various regulatory agencies were contacted to gather information on hazardous material incidents at or near the subject site. Agencies were either contacted by telephone, electronic mail, fax or in person or documents published by them were reviewed. Agency documents available for review include lists of hazardous waste sites, hazardous waste handlers, and underground storage tank registrations. Because contaminants are capable of migrating through air, groundwater, surface water and soil, hazardous material incidents within a one-mile radius of the subject property were considered.

AGENCY INFORMATION REQUESTS

- ACS performed a public records search, in accordance with the Freedom of Information Act using the Idaho Division of Environmental Quality (IDEQ) Remediation Site Finder 4/28/05. Nine "closed" sites and three "open" sites were listed in the database for Hailey. The "open" sites (those still being cleaned up), include the Hailey Chevron (209 S. Main), McCoy #1 Mine (W. of Hailey; S31 &6, T2N R18E) and Triumph Mine (East Fork Canyon). Of the nine "closed" sites (clean up deemed complete by the IDEQ), none are on or adjacent to the subject property. None of the "open" sites are near enough to the subject property to have impacted it.
- ACS also e-mailed a request for recorded information under SARA Title III, Section 304, from the Idaho Bureau of Homeland Security on 4/28/05. This agency responded on 4/29/05 stating that they identified no releases in the area of the subject property in their data base.
- An e-mail request for listed sites within a 2 mile radius of the subject property was sent to the United States Environmental Protection Agency (EPA) Region 10 Office in Seattle, Washington on 4/21/05. This office did not respond as of the writing of this report (their system goes down periodically). Therefore, ACS reviewed the EPA listed sites through their Envirofacts Website. No PCS-NPDES (facilities that have a permit to discharge wastewater), Sites Reporting Toxic Releases, RCRIS (Resource Conservation and Recovery Act- hazardous waste generators, transporters, disposal facilities), AFS/AIRS (Airborne Pollutants) or CERCLIS (Comprehensive Environmental Response, Conservation and Liability Act- Superfund nominated sites were identified in the area of the subject property that would appear to have an impact to the subject property.

AGENCY LIST REVIEW

ACS also reviewed various agency lists for information regarding known or suspected contamination problems in the area, as follows:

- Leaking Underground Storage Tank (LUST) List; Dated 4/19/05
The DEQ provided ACS with a list of known, leaking underground storage tanks. There were 12 sites on this list in Hailey, all of which were listed as cleanup complete, except for the Hailey Chevron located at 200 S. Main street (about .75 miles SE of the subject property). As previously mentioned, it would not be expected that this would affect the environmental integrity of the subject property as it is located downgradient and quite distant from the subject property. No "closed" sites (those deemed sufficiently cleaned up by the IDEQ) were located on or adjacent to the subject property. It therefore does not appear that any reported leaking underground tanks have affected the present status of the subject property.
- Underground Storage Tank (UST) List; Dated 4/19/05
There were 36 registered underground storage tank sites (USTs) in Hailey listed on the UST list from the IDEQ. All but 10 are listed as closed facilities. The UST listed nearest to the subject property that is still in operation is the A-Express #130 (1011 N. Main Street), located across the street from the subject property. This site houses 3 underground storage tanks. An inclusion on this list does not indicate an environmental problem, only that a registered tank does or did exist. There is always a potential for leakage from a UST, however, no problems have yet been identified and/or reported that have appeared to affect the subject site. Underground tanks of less than 1,100 gallons that are exclusively for residential/agricultural use and heating oil tanks are exempt from the registration requirement and therefore would not appear on this list.
- Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) List; 4/14/05 (Internet)
Another list reviewed was the Comprehensive Environmental Response, Compensation and Liability Information System - CERCLIS list. This is a list of potential or existing Superfund sites. Three sites appeared on the Active CERCLIS list in Blaine County. These sites include Triumph Mine Tailings Piles located in T4N R18E, Section 16, the USDA FS Sawtooth NF: Bassett Gulch, located in T4N R17E Section 20 and Minnie Moore Mine Tailings located west of Broadford Road near Bellevue (Section 34 T2N R18E). The investigation/remediation with these sites is still on-going, however, due to the distance from the property (at least 4 miles from the subject property), it is unlikely that they have caused environmental impairment to the subject property.
- Solid Waste Disposal Sites; Not Dated
The list of solid waste disposal sites, also provided by the DEQ, was reviewed. The recorded information on solid waste disposal facilities in Idaho is not very detailed, nor complete. There are six dumps listed in the Hailey area. Five of these are near Ohio Gulch, located over 5 miles north of the subject property. The other one is listed as

Hailey Dump, 2 acres; no location provided. This may be the dump that was located at Lions Park, located approximately .75 miles south of the subject property (down-gradient). It would not be expected that any contamination from this location would flow toward the subject property. The listing of solid waste disposal sites does not indicate environmental problems resulting from the existence of the disposal sites, only that they did exist. It is unlikely that these sites have affected the subject site. Persons interviewed that were familiar with the area have not identified any other solid waste disposal sites near the property.

- Resource Conservation and Recovery Information System (RCRIS) List; 4/28/05
The Resource Conservation and Recovery Information System- RCRIS list was also reviewed. This lists all reported hazardous waste generator, transporter, storage and disposal facilities in an area. There were 11 facilities listed in Hailey that appear on this list, the closest being Ram Motors (11 W. Spruce St.), located about .25 miles SE (down-gradient) of the subject property. This list does not indicate a problem at the listed site, only that a small quantity of hazardous waste is/was generated, transported or disposed of and therefore a potential problem does exist.

From reviewing the above lists, ACS found no recorded off-site sources of contamination that appeared to caused environmental impairment to the subject site. It should be noted that these lists only indicate reported incidents. It is possible that there are contamination problems which have not yet been reported or do not yet appear on these lists.

4.4 RESULTS OF SITE HISTORY/LAND USE REVIEW

A historical land use survey was conducted to help determine past uses of the subject property and surrounding land. A historical land use survey helps determine how the past history of a site may have affected its environmental integrity. Following is a list of the sources reviewed and the information obtained from each source.

Brief Area History from the Soil Survey of Blaine County Area, Idaho, United States
Department of Agriculture, Soil Conservation Service, Issued May 1991

The first permanent settlers in the Wood River Valley arrived in 1879. They mined galena, which is a combination of silver, zinc, and lead. Some gold was also mined. Between 1880 and 1885, the Wood River Valley was "booming" in silver and lead mining. The Philadelphia Smelter was located along the west side of the Big Wood River, near the north end of Ketchum. In 1883, the first railroad line in the area was established. A decline in the price of silver in the early 1890s caused the end of the early mining era in the Valley.

By the 1890s the emphasis of the area's business revolved around the Union Pacific Railroad. The railroad had previously been used to haul freight and ore for the mines. This changed to the shipment of sheep; Ketchum ranked second after Sydney, Australia for the most sheep shipped on railroad. The area's economy was related primarily to the sheep industry until the 1930s when the depression caused a decline in sheep ranching.

In 1936, Sun Valley was selected as the ideal area to develop a ski resort. The railroads main shipment became skiers instead of ore and sheep from 1937 until the mid 1960s. Train service to the area ended in about 1965 and the line was officially abandoned in the early 1980s. In 1965, the Janss Corporation purchased the Sun Valley Resort from the Union Pacific Railroad. The Sun Valley Resort is currently owned by R. Earl Holding, who purchased the company from the Janss Corporation in April 1977.

Historic Hailey, A Nineteenth Century Town, Chamber of Commerce Pamphlet, Not Dated

Alexander Ross led a band of trappers into the area in 1824. The first mining claim was filed in the Gold Belt west of Hailey in the summer of 1865. Settlers and miners, however, did not come to the area in earnest until 1879. On July 1, 1881, the first shipment of ore (11 tons) left Hailey, containing 154.5 ounces of silver to the ton. The mining boom continued until the mid-1890s when many of the veins played out and the bottom fell out of the silver market. John Hailey filed a homestead on the future town site of Hailey in 1879; the town site was officially platted on May 10, 1881. In 1882, when the Town Company sold to the Idaho and Oregon Land Improvement Company for \$100,000, the transaction included 2,500 acres in Quigley Gulch (east of town) and 8,000 acres in Croy Gulch (west of town). On August 24, 1882, the town site was amended, expanding from 72 blocks to 140 blocks. This annexation process would continue sporadically throughout Hailey's history, reaching a peak with the Woodside extension in the 1970s and the Northridge addition in the 1980s.

Sanborn Fire Insurance Maps

Sanborn Fire Insurance Maps are available from the Community Library in Ketchum, Idaho. These maps typically yield past history information by depicting the use and outline of each structure within the city limits for a particular year (late 1880s through mid 1990s). However, as the subject property was not located within the city limits shown on these maps, no information was gathered from this source.

Metsker Maps

Metsker Maps were available from the Community Library in Ketchum, Idaho. These maps depict land ownership and mining claims outside of the city limits and are dated 1939. Andrew L. Knight owns the subject property in Section 4 at this time; in fact he owns the entire $W\frac{1}{2}SW\frac{1}{4}S4$ and the $E\frac{1}{2}SE\frac{1}{4}S5$. John Cramer owns much of the $NW\frac{1}{4}$ of $S9$ at this time, apparently including part of the subject property. City Market owns a pie-shaped piece of property within the $NW\frac{1}{4}NW\frac{1}{4}S9$ at this time, appearing to be what is now Tax Lot 6879. No mines or mining claims are depicted in the area of the subject property; the nearest claim is the Chief of the Hill claim located in the $NE\frac{1}{4}S8$, across the Big Wood River from the subject property.

Mines and Prospects, Hailey Quadrangle, Idaho, 2nd Edition, Idaho Geological Survey

This publication includes a map showing mining properties in the subject area. It also includes an inventory of mining activity and production data for each mine (as available). No mines are depicted on the subject property. The nearest mines to the subject property are shown across the Big Wood River, including mine #s 305 and 306. #305 is an unnamed prospect; product commodities are listed as Pb (lead). #306 is Chief of the Hills Prospect; product commodities are listed as Pb (lead) and Ag (silver). No production period, ore tailings or production amounts are provided. As these mines are located at the other side of the river from the subject property and no known processing occurred in the area, it would not be expected that drainage from these mines would migrate to the subject property.

Topographic Maps

A United States Geological Survey topographic map of the subject area was reviewed. The subject area appears on the Hailey Quadrangle, 7.5 Minute Series map. These maps typically yield past history information by depicting the existence of various structures during the year the map was produced. The date on the Hailey USGS map reviewed is 1967; the topography data was based on aerial photographs taken in 1966 that were field checked in 1967. At this time, no structures are shown on the subject property. A barn-like structure and a dwelling-like structure (near the Hwy) is depicted very close to the subject property, apparently on the property where McKercher Blvd, River Street and/or Albertson's is now located. No other structures are depicted near the subject property at the west side of the highway.

An intermittent stream, which appears to originate from springs to the north is shown extending through the subject property. This intersects a canal, originating from the Big Wood River about 600' north of the subject property, which also flows through the subject property; this canal appears to be the old Cramer Ditch. The only adjacent roads that area shown on this map include the highway and Empty Saddle Trail. The Big Wood River is depicted about 200' west of the west corner of the subject property. The nearest mine is depicted 2,700' W/SW of the W corner of the subject property on the mountainsides across the river from the subject property; drainage from this mine would be intercepted by the Big Wood River and would therefore not be expected to reach the subject property. The railroad is shown to be located approximately 2,125 feet northeast of the subject property. No mine dumps or tailings are depicted in the subject area.

Aerial/Historical Photographs:

The following historical aerial photographs were reviewed:

- 6/29/51: Photograph CVO-5G-158/159, United States Department of Agriculture, Natural Resources Conservation Office, Hailey, Idaho
The subject property is visible in this photograph. No structures are visible near the west side of the subject property. Structures are visible near the east and south sides of the subject property but it is difficult to tell if they are actually on the property itself. Trees and ditches are visible on the subject property.
- 8/20/57: Photograph CVO-4T-106/108, United States Department of Agriculture, Natural Resources Conservation Office, Hailey, Idaho
The subject property appears similar to that in 1951, though this photograph is a little more clear.
- 9/3/64: Photograph CVO-2EE-25, United States Department of Agriculture, Natural Resources Conservation Office, Hailey, Idaho
The subject property appears similar to that in 1951 and 1957, however, irrigated fields are more apparent in this photograph. A couple of structures appear to be located on the west and south sides of the property, though details cannot be distinguished.
- 8/9/69: Photograph CVO-1KK-160, United States Department of Agriculture, Natural Resources Conservation Office, Hailey, Idaho
The subject property is again visible and appears similar to that in 1964, though this photograph is at a smaller scale and details are more apparent. There appears to be a structure near the southwest end of the property, near the canal as well as one near the section line. Other structures near the east side of the property appear to be primarily on the Albertson's property to the east, except for what appears to be a small, shed like structure. Irrigated fields are not apparent on the subject property at this time, though they are visible further north.

- 1974, United States Geological Service USGS Advance Print, Department of Agriculture, Natural Resources Conservation Office, Hailey, Idaho
The subject property appears similar as in other photographs; details are difficult to distinguish..
- 1978, United States Department of Agriculture, Natural Resources Conservation Office, Hailey, Idaho: Soil Survey of Blaine County Area, Idaho
The subject property is visible, though very light in this photograph. Two intermittent streams are overwritten on the subject property. There appears to be some structures adjacent to the canal and near the northeast end of the property.
- 8/29/84: Photograph NAPP 241-138; 418-154, United States Department of Agriculture, Natural Resources Conservation Office, Hailey, Idaho
Structures are visible on the subject property, though details are not visible.
- 8/8/87: Photograph NAPP 437-11, United States Department of Agriculture, Natural Resources Conservation Office, Hailey, Idaho
The subject property appears to be primarily vacant, though it is at a large scale and details are difficult to distinguish. Empty Saddle Trail is clearly visible, as is Angela Drive and some of the homes along it.
- 7/1/92, MSN Home Advisor, Aerial Photograph
The subject property appears vacant with the exception of what appears to be a small square structure adjacent to the canal near the SW end of the property and possibly another small structure further north (not as clear). Trees are visible on the property. The barn to the north has not yet been constructed, nor have the Marketron and Albertson's buildings.
- 2003/4 Aerial Photograph from Alpine Enterprises, Inc.
The subject property and area appears similar to as at present. The small structure is no longer apparent, though there may be some debris present in the area. The adjacent large barn, Albertson's and Marketron are now present. Light lines are visible where persons have driven through the property Small details are not visible on this photograph.

Blaine County Assessor's Office Records

- The Blaine County Assessor's Office did not have an appraisal file on the subject property, as there are no structures on the property. However, they did provide ACS with the parcel number, legal description and last deed numbers for recent transactions. They have the subject property listed as 3 parcels totaling 10.687 acres of Category 81 (Exempt Property).
- Old Plat Book, Not Dated

The Assessor's Office had an old plat book that showed the individual tax lots near the subject property and some ownership information. Owner's names are handwritten (some are difficult to read) and crossed off to show new ownership. All of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4 (plus other property) was under one ownership at this time. Owner's names included Lew Walker, A.W. Walker, C.M. Foley, Andrew L. Knight and Lew Walker again. In the NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 9, the ditch property is shown but not labeled. A 2.9 acre parcel labeled 10 (Tax Lot 10) was owned by Fred Fator and City Market.

Chain of Title: Blaine County Recorder's Office Records and Other Sources

ACS manually searched for the last recorded deed pertinent to the subject property, available at the Blaine County Recorder's Office. It should be noted that a complete title search was not conducted. Due to the varying legal descriptions provided, ACS cannot guarantee that the below listed transactions pertain to the subject property.

Dates	Ownership Information	Source	Comments
1939	Andrew L. Knight, City Market, John Cramer	Metsker Map	Subject property
1930s-1950s	Fred Fator, City Market, Lew Walker, C.M. Foley, A.W. Walker	Old County Maps	Subject property
9/17/13	Map of Cramer Electric Co's. Ditch and Site, Hailey, Idaho	Deed Bk 80 Pg 569	Shows ditch extending through subject property and site located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 9
8/3/16	Estate of L.W. Walker (deceased) to A.W. Warr	Warranty Deed Bk 95 Pg 282	W $\frac{1}{2}$ SW $\frac{1}{4}$ S4 and E $\frac{1}{2}$ SE $\frac{1}{4}$ S5
6/26/18	Wood River Land Co. to A.W. Warr	Quitclaim Deed Bk 84 Pg 287	65" of water (1909) and an undivided $\frac{1}{2}$ interest in the Idaho Oregon or Big Ditch ROW
8/13/27	John E. & Mammie E. Schad to A.W. Warr	Quitclaim Deed Bk 128 Pg 48	TL 1187 (formerly TL #9)
6/13/33	A.W. & Rosa A. Warr to C.M. and Esther Foley	Warranty Deed Bk 135 Pg 295	Tax Lots 979 (includes part of subject property), 978 and 1400 (168.18 acres)
4/4/34	C.M. & Esther Foley to Andrew L. Knight	Quitclaim Deed Bk 128 Pg 259	Tax Lots 979 (includes part of subject property), 978
4/14/43	John Cramer to Lloyd and Raymond Walker	Warranty Deed Bk 145 Pg 470	Tax Lot 10 (subject property)
11/13/44	Andrew L. and Doris Knight to R.C. and Lloyd Walker, dba the City Market	Warranty Deed Bk 153 Pg 72	Tax Lots 1538, 1536 (subject property) and 978
2/18/49	R.C. Walker Estate and Leah I. Walker, widow to Lloyd Walker	Bargain/Sale Deed Bk 159 Pg 78	Tax Lot #1536 (subject property), 978 and 10 (subject property); 127.82 acres With water rights
3/11/72	Lloyd William & Agatha Walker to Lloyd J. and Mary E. Walker (TF), William G. and Mary Lou Schmidt Indiana & John P. and Margaret Hamilton (Buhl)	Warranty Deed Bk 142 Pg 901	Tax Lot # 1538, 1536 except the power canal (subject property) and TL 978 (Section 5)

Dates	Ownership Information	Source	Comments
12/28/76	Lloyd J. Walker to Valco, Inc.	Warranty Deed Bk 170 Pg 794	Land in Sections 4 and 5, W of Hwy 93, excepting the Power Company Canal ROW and another parcel
2/3/77	Lloyd J. Walker for the estate of Lloyd William Walker (deceased) and Agatha K. Walker (wife of deceased) to Lloyd J. and Mary E. Walker (TF), William G. and Mary Lou Schmidt Indiana) & John P. and Margaret Hamilton (Buhl)	Warranty Deed Bk 171 Pg 734	Tax Lot 10 (2.9 acres)
5/5/77	Valco, Inc. to Lloyd J. Walker, Trustee	Quitclaim Deed Bk 173 Pg 445	Legal description containing 5.883 acres
10/21/81	Mary E. Walker to Lloyd J. Walker	Quitclaim Deed Bk 221 Pg 325	Legal description apparently containing subject property (11.90 acres)
10/26/89	Lloyd J. Walker (T.F.) to Lloyd William Walker (S.C.), Francis Patrick Walker (Boise), Mary Nora Kestler (T.F.) & Marjorie Ann Walker (Boise)	Warranty Deed Bk 311 Pg 783	Legal description apparently containing subject property (11.90 acres)
8/15/91	Francis Patrick and Anne Walker to Lloyd J. Walker, William G. Schmidt and Margaret I. Walker Hamilton	Quitclaim Deed Bk 333 Pg 399	TL 5319 (5.88 acres) and TL 5521 (2.80 acres) per survey map filed under record # 325676
8/15/91	Michael and Mary Nora Kestler to Lloyd J. walker, William G. Schmidt, and Margaret I. Walker Hamilton	Quitclaim Deed Bk 333 Pg 400	TL 5319 (5.88 acres) and TL 5521 (2.80 acres) per survey map filed under record # 325676
8/15/91	Marjorie Ann Walker (unmarried) to Lloyd J. walker, William G. Schmidt, and Margaret I. Walker Hamilton	Quitclaim Deed Bk 333 Pg 401	TL 5319 (5.88 acres) and TL 5521 (2.80 acres) per survey map filed under record # 325676
9/5/91	Lloyd Walker sells undivided 1/3 int. to Margaret I. Walker Hamilton, William G. Schmidt and Lloyd J. Walker	Warranty Deed Bk 333 Pg 396	TL 5521 (2.8 acres) per survey map filed under record # 325676
9/5/91	Lloyd J. Walker, Trustee sells undivided 1/3 int. to Margaret I. Walker Hamilton, William G. Schmidt and Lloyd J. Walker	Warranty Deed Bk 333 Pg 397	TL 5319 (5.88 acres) per survey map filed under record # 325676
9/5/91	Lloyd William and Barbara Walker to Margaret I. Walker Hamilton, William G. Schmidt and Lloyd J. Walker	Quitclaim Deed Bk 333 Pg 398	TL 5319 (5.88 acres) and TL 5521 (2.80 acres) per survey map filed under record # 325676
5/15/92	Lloyd J. Walker (divorced) to W.G. and Mary Lou Schmidt and J.P. and Margaret Hamilton	Quitclaim Deed Bk 342 Pg 115	1/3 interest in subject property (TLs 5319-5.88 acres and 5521-2.80 acres)
10/13/92	Margaret Hamilton, William George Schmidt and Lloyd Walker vs. Estate of Charlotte Cramer and Justus 32 Lateral Ditch Water Users Assoc.	Judgment Bk 346 Pg 347	Margaret Hamilton, William George Schmidt and Lloyd Walker owns subject property in fee simple: Power Co. Canal (2.37 acres), TL 5319 (5.88 acres), TL 5521 (2.80 acres)
3/15/94	Lloyd J. Walker (divorced) to W.G. and Mary Lou Schmidt and J.P. and Margaret Hamilton	Quitclaim Deed Bk 363 Pg 422	Power Company Canal (2.37 acres)
8/17/94	J.P. and Margaret Hamilton and William G. and Mary Lou Schmidt to	Warranty Deed Bk 369 Pg 727	Subject property

Dates	Ownership Information	Source	Comments
	T.C.P. Incorporated		
1/8/96	TCP, Incorporated Edgar L. and Carol T. Sinnott	Quit Claim Deed Bk 386 Pg 020	Subject property
7/2/96	Edgar L. and Carol T. Sinnott to TCP, Incorporated	Warranty Deed Bk 392 Pg 294	Subject property
3/7/97	Edgar L. and Carol Sinnott to Valley Christian Fellowship, Inc.	Warranty Deed Bk 399 Pg 763	Subject property
1/14/04	Valley Christian Fellowship, Inc. to The Life Church Wood River, Inc.	Quit Claim Deed Bk 498 Pg 133	Subject property; corrected instrument #497891 to reflect correct legal desc.

Personal Interviews

The following persons were interviewed regarding the use of the subject site and area:

- Bob Erikson, Blaine County Health Department, 4/27/05
Mr. Erikson advised that he did not know of any environmental problems at or near the subject property. A few years ago, he did turn down the Church (regarding septic) and advised that they needed to connect into city services.
- Carl Helm, Hailey Fire Department, 5/2/05
Mr. Helm advised that Wood River Fire Department would respond to the subject property. He said that the city had used the property for snow storage in the past. Mr. Helm was not aware of any fire department responses on the subject property. They had one fuel spill response at the nearby Albertson's gas station. It was a small quantity of fuel from a leak in someone's fuel tank. It was a dry clean up and no quantity went down area storm drains.
- Bart Lassman, Wood River Fire Department, 5/2/05
Mr. Lassman advised that they have not had any responses in the area of the subject property. There were no incidents in the area, no responses to large fires or oil releases that they responded to.
- John Bolliger, Long Time Area Resident, 5/2/05
Mr. Bolliger advised that the Walker family had a farm and raised animals. They had a slaughterhouse behind Marketron where they mostly had pigs. They had a house (where the realty building is now), a big barn and a slaughterhouse near the ditch. There was a big open field to the north; they may have had some pens. Mr. Bolliger doubts that they used any chemicals in their process. They would shoot the animal in the head, dip them in a hot bath (concrete tub) and scrape them. He thinks that the water was heated with wood as the fuel. There were no drums of any chemicals or fuel that he could recall. There was no great odor either. He would go down there and get cream for his family and bought some rabbits from them; he would occasionally watch them slaughter animals. Margaret (Walker) Hamilton lives in Buhl and should recall all the details of the property.
- Jim Koonce, Long Time Area Resident, 5/2/05

Mr. Koonce was born in 1940. He recalled the property but did not remember any slaughter house. Tommy Walker used to train/raise dogs. He bought one of the dogs. Lloyd was a lawyer who died about a year ago. The canal lead from the Big Wood River; there was a small wooden dam there. It was viable into the 1950s. It lead to a power plant at the end of Silver Street. There would be no pollution in the canal- especially before the power plant- it was just water from the Big Wood River. Mr. Koonce did not recall any buildings. He suggested that we try Owen Downard- his wife was a Walker.

- Carol (Walker) Downard, Long Time Area Resident, 5/2/05
Ms. Downard recalled that there was a slaughterhouse but did not remember any details. The old farmhouse has been moved to 2nd Ave.; it was located near where Albertson's is at present. They had a huge field- hay field. They used to walk through the field to go fishing but had to watch out for the big old bull. Margaret Hamilton would remember more.
- Wynn Bird, Long Time Area Resident, 5/2/05
Ms. Bird recalled that she boarded horses on the subject property in Jr. High through High school. The old farmhouse was located where Albertson's is. There was also a barn and sheds. It's hard to say exactly where the other buildings were located. Ms. Bird did not recall any tanks- maybe an overhead drum. The slaughterhouse buildings were gone by the time she remembers being there. They probably used wood heat for the pig vat as oil would be too expensive. She can remember getting milk there when she was very little. Ms. Bird did not think there would be any problems. Mrs. Walker lived there. It had not been farmed for a long time- just leased for summer pasture; the ditch probably had water in it back then.
- Ed Sinnott, Owner From 1996/7, 5/2/05
Mr. Sinnott advised that he remembered spending about \$25,000 cleaning the property up. It was just vacant land but an excavation company- maybe Chuck Erwin or Katco moved stuff around. There was nothing hazardous; he had no recollection of any old buildings- just old irrigation ditches. The Harrahs owned the land where Albertson's is now. Mr. Sinnott had no knowledge of any problems on the property. Marc Reinemann would know more- he may even have an old inspection report in the file.
- Marc Reinemann, Realtor, 5/2/05
Mr. Reinemann advised that there was an old house and an old cold storage and slaughterhouse. In 1996/7, they cleaned up the property and hauled everything away, primarily because they were concerned with the safety hazards. There were no hazardous materials or other problems. He thought that POWER Engineers did a Level I study on the property- maybe for the church or Clearwater Landscaping (Ed Sinnott). Mr. Praggastis was also involved but would not know any specifics on the property. (Of note, Jane Rosen tried to find a copy of the Phase I that was supposedly done but could not locate it.)
- Chuck Erwin, Excavator 5/2/05
Mr. Erwin advised that he recalls when the site was cleared but he was not involved.
- Mike Evans, Katco, 5/2/05 and 5/3/05

Mr. Evans bought the company in 1998, but was involved with the company before and recalled that they cleared the lot for Marketron, Inc. He recalled that the Marketron property was just vacant. He will check with his employee, Scott, who worked there earlier and get back to ACS if he knows more. Mr. Evans called back and said that Scott vaguely recalls crunching up some old buildings and burning some at the end of the project on the Marketron property. He had no recollection of coming across any hazardous materials.

- Margaret (Walker) Hamilton, Past Owner (Daughter of Lloyd Walker), 5/2/05

Ms. Walker advised that the house was probably N. of Albertson's along the highway. They moved the house off the property. It had wood heat and later an oil stove; oil was stored in an above ground drum. The big red barn was back by the house; the wood feed racks (still there) were in the barnyard. There were also several sheds and a chicken coop. They had a steel pot in the shed (heated with wood) to scald the chickens. They tore the sheds down to save the wood; they piled the wood in the field and ended up leaving it there. The slaughter house was in the trees behind the house, near the canal. There was a vat that was heated by a big boiler fueled by a wood stove; they did not use oil- maybe coal a long time ago. They never used any petroleum fuel or chemicals. They had a large hay pasture. They never sprayed any pesticides except for some weeds around the house. There were no underground tanks or garbage dump areas on the property. When asked if there was any fuel for any equipment, Ms. Hamilton did not recall any but they did have a tractor so they may have had a small overhead gas tank. The waste was cooked up and fed to the pigs. Prior to their ownership, the Knights had the property and prior to that it was a dairy owned by the Warrs. In fact the bath in the old house was the old cooler from when it was a dairy (back in the 1930s). Bob Knight lives in Twin Falls. Her older brother (in Indiana) may know more; he is on a trip but when he returns, she will ask him. Her uncle Tom Walker lived next door and raised some dogs and minks; he lived in the log house, south of theirs. Ms. Hamilton advised that there should be nothing to worry about on the property.

- Alan Stowe, Hailey City Street Dept., 5/2/05

Mr. Stowe advised that they have been storing snow on the subject property for about 3 years. There would not be anything hazardous in the snow- it looks like a dirt pile because it is covered with sand. They service the storm drain dry wells along the adjacent street every year. There has been no evidence of any spills into area drains- just leaves and mud. Mr. Stowe advised that they have not noticed any unauthorized dumping on the subject property. However, they did help the present property owners get after Albertson's to clean up some construction debris (cardboard, building material, etc.) that they had left on their lot- nothing was of a hazardous nature.

- Bob Knight, Prior Owner 1934-1944, 4/27/05

Mr. Knight advised that he was six years old when they moved to the subject property and he remembers it well. The Warrs, prior to his ownership, had a dairy there. His family ran the dairy for 3-4 years. There was a house (about where Albertson's is), a large dairy barn with a horse barn at one side and calf sheds at the other. They also had a 4 compartment chicken house and grainer/milk house. A concrete ditch ran through the milk house and they would set the milk cartons in it to cool the milk. They had no gasoline- all the work was done by

horses. The slaughterhouse was behind the barn and accessed through town, along the power canal. It was a big cement building (it may have had some metal too). A vat was in the concrete floor with a hoist to lift the animals in. They only used wood fuel. They may have used a little coal for heat but mostly wood. They had no chemicals, pesticides or fuel. After they sold the property in 1944, the Walker's may have had a tractor with a small overhead fuel tank, but his family had no fuel. They did not even spray weeds back then. The dam for the canal was about 200' north and west of the house. There were some potholes there that they filled with trash that they collected from people's homes for money- it was just trash- nothing hazardous. They even separated out the iron for the war effort. There were no garbage dump areas on the property.

- Janine Bear, Life Church, 5/3/05

Ms. Bear advised that Life Church is not aware of any notifications of any environmental related problems at the subject property. They have not been informed nor observed any garbage dumps, dumping of hazardous materials, stained soils or odors on the property. No other environmental report has been conducted on the subject property that they are aware of. They have not applied any pesticides. They allow the city to store snow on the property. The only other thing they have used the property for is for fun gatherings; that is their volleyball net on the property. Ms. Bear agreed that some of the residential neighbors encroach on the subject property (landscaping). The corner of the Marketron building was built to the lot line.

The following persons did not return ACS's call as of the writing of this report: Albertson's, Marketron, Dale/Valerie Donnelly (Valco), Daryl James (Long Time Area Resident) and Dave Dawson (Had Area Business). If additional information is obtained from these sources at a later date that materially affects the conclusions, an update will be provided.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The following was concluded from the Phase I Environmental Site Assessment for the property:

1. HISTORIC USE OF PROPERTY

Historical photographs, maps and documents, historic deeds and persons interviewed revealed the history of the subject property. Part of the subject property includes part of the old power canal ditch which contained water diverted from the Big Wood River approx. 600' NW of the subject property and led to a power plant located at the end of Silver Street to the south. The property was used as a dairy in the early 1900s and into the late 1930s (operated by the Warr and Knight families). A slaughterhouse was located on the property, near the canal, operated by the Knight and Walker families. Structures are visible on the subject property in the 1951 to 1992 aerial photographs, though it is difficult to tell which structures were on the subject property or the adjacent Albertson's property. ACS was informed that there was a home, barn, chicken coop, sheds and slaughterhouse on the property (though some of the structures may have been located on the adjacent Albertson's property). The home was moved off the property and the sheds were disassembled for the wood. It is not known what happened to the slaughterhouse structure but some piles of construction debris that are still located near the canal may have been from the old structure; what appears to be the slaughterhouse structure is visible in the 1992 aerial photograph. Following is a description of potential environmental impacts due to the historic use of the subject property.

- Sometimes heating oil stored in underground tanks was used as a heat source. As oil stored in underground tanks can cause environmental impairment, ACS investigated this issue. ACS was able to speak with Bob Knight (whose family owned the property from 1934-1944) and Margaret (Walker) Hamilton (whose family owned the property from 1944-1994). They both advised that both the home and the boiler for the slaughterhouse were heated with wood as the fuel; oil was never used as a heat source for the slaughterhouse. Ms. Hamilton advised that in the later years, the home was converted to oil heat, however, the oil, was located in an above ground drum; there were never any underground tanks. During the course of this investigation ACS found no indication of an underground heating oil tank existing on the subject property.
- City sewer services were not available to the subject property, therefore, the subject property was connected to an on-site septic system for waste disposal. On-site septic systems do create a direct pathway for any contaminants disposed of down a drain to enter the subsoils and potentially groundwater below. Therefore, ACS evaluated the type of materials that may have been disposed of on site. ACS was informed that the only drain or septic system was in relation to the residential structure. It is unlikely

that residential use would result in significant quantities of hazardous materials or petroleum products entering the historic septic system. Therefore, the existence of historic septic systems should not have affected the environmental integrity of the subject property.

- ACS questioned the owner, tenants and other persons familiar with the subject property regarding any known environmental conditions on the property. No one interviewed was aware of any underground storage tanks, contaminated fill dirt, dumping of hazardous materials, underground storage tanks, heavy use of pesticides, on-site garbage dump areas or any other potential environmental problems on the subject property. Mr. Bob Knight advised that horses did all the work when his family owned the property; they had no mechanized equipment. Ms. Margaret Hamilton advised that they did have a tractor so they probably had a small overhead fuel drum, however, they did not have any underground tanks or other hazardous materials. ACS was informed that cooling of milk for the dairy was done with cold flowing water and/or ice. All persons interviewed advised that there would be nothing to worry about as far as the past existence of petroleum products or hazardous materials on site.
- Part of the subject property (Tax Lot 6880) was part of the old Cramer Ditch or Power Canal. This consisted of a diversion from the Big Wood River about 600' NW of the property and led to an electrical power plant about 2,000 feet south of the subject property. The canal held water from the Big Wood River, prior to going through the power plant. Therefore, nothing but clean Big Wood River water would have flowed through this ditch.

In summary, no evidence of environmental problems were identified on the subject property as a result of the historical research conducted during this investigation.

2. SITE VISIT OBSERVATIONS/CURRENT FINDINGS

During the site visit, the property was observed for visible signs of contamination. At the time of the site visit, no structures were present on the subject property, with the exception of two old wood feeding frames from the old pasture/barn area. The following is discussed:

- Debris and trash were observed throughout the subject property during the site visit. None of the items observed appeared hazardous or related to the use of hazardous materials/petroleum products (except for one empty quart container of oil). No staining, strange odors or apparently stressed vegetation was observed. Items observed included everyday trash (bags, drink containers, etc.), construction debris (metal, cardboard, wood), a concrete culvert/gate, hay bales, landscape debris, etc.

- ACS observed a few piles of debris near the canal that may have been remains from the slaughterhouse, as it is in the same general area. ACS also saw a crushed and rusted piece of metal (possibly the old boiler) in the trees at the east side of the property. Again, no evidence of hazardous materials were observed in this debris. Based upon interviews regarding the past processes of the slaughterhouse, it is not expected that any hazardous materials were used.
- The city uses part of the east side of the subject property for snow storage. A pile of snow (appearing to be dirt from a distance) was still remaining on the property at the time of the site visit. ACS contacted the city street department. They advised that there would be no hazardous materials in the snow; the dirt is actually sand from sanding the roads after snow storms. They never saw any dumping of hazardous materials/petroleum products on the subject property.
- The subject property was investigated for the potential of hazardous building materials such as asbestos and lead. Since no debris typically containing asbestos or lead containing materials were observed to be disposed of on the subject property at the time of the site visit, this should not affect the environmental integrity of the property at this time, though it is recommended that site debris be disposed of off-site.
- No above-ground electrical transformers were observed on the subject property, though a couple pad mounted electrical boxes were observed near the south end of the subject property and a pole mounted transformer north of the subject property along the highway. These appeared to be in good condition and should not impact the environmental integrity of the subject property. ACS did not observe any equipment or items on site that typically contain PCBs.

In summary, ACS did not observe any indication of a release of hazardous materials and petroleum products to the environment during the site visit.

3. OFF-SITE OBSERVATIONS

Drainage onto properties from another source is always a concern, as the drainage can carry contamination with it from other properties. Therefore, off-site sources of contamination were also reviewed, as contaminants can travel from an off-site source to the subject property. The subject property is surrounded by residential land (including that with a large pasture/barn) and some commercial uses (Albertson's, Marketron). The following is discussed:

- Private residences are located north, southeast and across Empty Saddle Trail to the south of the subject property. No visible signs of contamination were observed, nor would be expected at these nearby residential properties. Some landscaping from these adjacent properties appear to encroach on the subject property; although there may be small

amounts of residential lawn-care products used on these properties, it would not be expected to be of an amount to cause environmental impairment.

- Albertson's A-Express, mini-mart/gas station is located across W. McKercher Blvd. and River Street from the subject property. This is a fairly new gas station with double walled underground storage tanks with overfill protection. Although, this is a nearby source of petroleum storage, no known releases have occurred from the tanks. ACS also investigated the potential surficial releases of fuel from this location (i.e. persons driving away with the hose in their car; spills during tank filling, etc.). The Hailey Fire Dept. advised that they only responded to one spill at this location; it was a minor release due to a leak in someone's fuel tank and no fuel went into any nearby storm drains. ACS was not informed of any releases from this nearby source.
- Albertson's Grocery Store and Marketron, Inc. (computer software business) are located across the street and adjacent to the subject property. ACS left messages for both these businesses to inquire about their sites (as they relate to environmental issues) but they did not respond as of the writing of this report. It is not expected that either of these businesses would house significant quantities of hazardous materials.
- Several mines are present in the hills northwest of the subject property. However, as these mines are located across the river from the subject property and no known processing occurred in the area, it would not be expected that the existence of these mines would affect the subject property.
- Storm drains were observed along W. McKercher Blvd., River Street and Empty Saddle Trail near the subject property. Storm drains provide direct access for any contaminants entering these drains to reach the subsoils and potentially groundwater below. Therefore ACS investigated this further. The City of Hailey advised that they clean out these drains annually. They have not seen anything but mud and leaves in the drains. There were no reports of nearby spills that have entered these drains. Although there may be small amounts of petroleum products in drainage from nearby roads, it would likely be de minimus amounts that should not affect the environmental integrity of the subject site.

In summary, ACS found no indication that a release from nearby properties has affected the environmental integrity of the subject property.

4. REGULATORY AGENCY AND REPORT REVIEW

ACS contacted pertinent regulatory agencies and reviewed lists of known environmental problems and prior reports related to the subject area to determine if known on and off-site sources of hazardous materials may have affected the property. No reported releases of hazardous materials or petroleum products were identified on or adjacent to the subject property. ACS did not find any reported environmental problems in the subject area that would appear to cause environmental impairment to the subject property.

Summary of Conclusions and Recommendations

In conclusion, ACS has performed a Phase I Environmental Assessment in conformance with the scope and limitations of ASTM Practice E 1527 of the property, described as follows:

Assessor's Parcel: RP 02N180092920 A; Tax Lot 6879

Assessor's Parcel: RP 02N18009292A A; Tax Lot 6880

Assessor's Parcel: RP 02N180042470 A; Tax Lot 7734; 1720 Hwy. 75, Blaine Cnty, ID

There were no exceptions to or deletions from this practice during the course of this investigation, except:

- There was a large snow pile on part of the property which blocked the ground beneath from view. Extensive interviews were conducted to compensate for this condition.

It would not be expected that any physical sign of a hazardous material/petroleum product release would be observed in the area beneath the snow. Therefore, ACS feels that a thorough investigation of the subject property was still conducted.

ASTM guidelines define "recognized environmental conditions" (RECs) as follows:
The presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water or surface water of the property. The term is not intended to include de minimis conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

This assessment revealed no evidence of recognized environmental conditions having affected the existing environmental condition of the subject property.

Recommendations

ACS has no recommendations for further research into the environmental integrity of the subject property at this time, however the following is discussed:

1. As there were no specifically identified releases of hazardous materials or petroleum products near the property, it is this assessor's opinion that sampling for a potential, unidentified release is not necessary. However, it is recommended that the piles of debris (behind Marketron, adjacent to the canal and near the trees at the west side of the property) be removed from the subject property and be properly disposed of off-site. If during the dismantling of the debris piles, any strange odors, staining or other evidence of hazardous material or petroleum releases is identified, sampling should be conducted accordingly.

6.0 LIMITATIONS

Environmental regulations on local, State and Federal levels can vary significantly over time. Similarly, subject property and surrounding conditions will inevitably change over time. Consequently, the conclusions and recommendations presented herein apply solely to the regulatory and property conditions existing at the time of the assessment.

This report was compiled partially using information supplied to ACS by outside sources and information which is public domain under the Freedom of Information Act. ACS assumes that the information obtained and the inferences made in the course of this investigation are reasonably representative of the property.

ACS makes no warranty, express or implied, except that our services have been performed in accordance with generally accepted existing environmental, engineering, and health and safety principles and applicable regulations at the time and location of the study. ACS has analyzed the available information using currently available engineering techniques. The opinions presented in this report are based on a limited scope of work and in no way guarantees that the site is free of environmental liabilities. The conclusions drawn from this assessment must be considered within the limited context of the work program.

MEMO

To: Diane Shay
From: Mike Hendricks
Date: March 9, 2007

Subject: Life Church Annexation

We are approaching our 4th public hearing with the Planning and Zoning Commission. The last hearing was held on February 25, 2007. We appreciate your thoughtful comments and, again, want to express that Life Church is committed to a long-term presence and quality development in Hailey.

Since our last hearing, we have held an open house, inviting neighbors, city staff, and those who have spoken at public hearings. We have reviewed the county development option again and think that for design and service issues, if for no other reason, that a partnership and annexation into the city is best. We have also followed-up on a concept expressed by Commissioner Linscott and are actively working with John McGowen/Sawtooth Center, LLC on a Letter of Intent that will permit the Life Church to relocate three of the former USFS buildings onto the Life Church property. The buildings would be relocated in phases to reflect current lease commitments. A photo simulation of what this would look like on the Church property is attached.

As you are aware, our original annexation petition was for the entire 10.68 acres owned by the Life Church property to be annexed and zoned "Transitional." Concerns have been expressed. Foremost being 1) unknown future phases by the church, 2) no quantitative demand shown for additional office space / transitional property within the city, and 3) unknown plans for some of the property to be annexed - namely, the highway frontage. The Commission appeared to give unanimous support to the notion of our church being able to be built on the property, subject to certain landscaping, parking location and other design review requirements. A space and phasing plan for the church facility are attached.

To address the concerns the Public and Commission have expressed, we are prepared to modify our original application to the city by any one-of-the-three options attached. These options differ from the original application by annexing only portions of the Life Church property and setting forth use limitations consistent with points raised by the Commission these past months. The church is also willing to place certain limitations on the un-annexed property and, as noted in the draft annexation agreements for options 1, 2 and 3, use limitations are also proposed. See attached draft annexation agreements and maps for additional detail. NOTE: each option includes a commitment to relocate three of the USFS buildings to the church property.

Again, we appreciate your thoughtful deliberations and look forward to continued discussions with you, the Public and the Commission on March 19, 2007.

**ANNEXATION AGREEMENT
LIFE CHURCH – CITY OF HAILEY**

THIS ANNEXATION AGREEMENT (“Agreement”) is entered into this _____ day of _____, 2007, by and between the CITY OF HAILEY, an Idaho municipal corporation (“City”) and the LIFE CHURCH (“Church”) in contemplation of the following:

1. RECITALS

1.1 The Church is desirous of having certain real property (“Subject Property” or “Property”) which it owns and which is contiguous to the city limits annexed into the City of Hailey.

1.2 The Subject Property is legally described in **Exhibit “A”**, which is attached hereto and incorporated herein by this reference, and is approximately 5.26 acres in size. The Church also owns certain real property, which as the result of public testimony and Commission deliberations held in November 2006 and February 2007, is excluded from Exhibit A and this petition for annexation (“Non-Annexation Church Property”). The Non-Annexation Church Property is legally described in Exhibit “A1”, which is attached hereto and incorporated by this reference, and is approximately 5.42 acres in size.

1.3 The City has the power to annex the Subject Property, which is contiguous to its existing city limits pursuant to Idaho Code § 50-222.

1.4 Pursuant to Idaho Code § 50-222, the Church specifically applied for annexation of the property by the City. Said annexation application is dated _____, and is on file with the City of Hailey Planning and Zoning Department. The original application sought a Transitional (“TN”) zoning for the Subject Property, as more specifically described in Exhibit “B”, which with subsequent amendments to the application are attached hereto and incorporated herein by this reference.

1.5 The Church proposes to construct a new church building consisting of a foyer, office area, kitchen, sanctuary to seat approximately 300 people, Sunday school rooms, and mom’s nursing area, among other spaces typical and customary for a church. The facility will include outdoor uses, such as an outdoor play area, patio and parking / circulation areas. The initial phase of the project is estimated to include a building footprint of approximately 4,200 square feet. The building is envisioned to be two stories in height for phase-one construction of an approximately 6,000 square foot building, as generally located on the Concept Schematic set forth in Exhibit B. A diagram depicting the preliminary building program for the two phases of the proposed church are described in Exhibit “C”, which is attached hereto and incorporated by reference.

1.6 The Church has entered into a Letter of Intent with FaPo Holding, Inc. (“LOI”) to receive the donation of three (3) former United States Forest Service Block buildings (“USFS Buildings”). The City and Church desire to preserve the USFS Buildings. Upon

receiving the required City approvals and in accordance with the phasing terms of the LOI, the Church will place the USFS Buildings on Subject Property, as generally depicted in Exhibit "D".

1.7 The City of Hailey Planning and Zoning Commission and City Council have held the required public hearings, accompanied with proper notice regarding the Church's annexation application.

1.8 The City of Hailey Planning and Zoning Commission, on March 19, 2007 recommended that the annexation application as amended to exclude Exhibit A1 and otherwise conditioned herein relates favorably to the goals and objectives of the Hailey Comprehensive Plan set forth in Sections 1.0 through 14.0 as more particularly described in Exhibit B and the staff report attached hereto, and that the Subject Property be zoned as Transitional (approximately 3.76 acres) and Recreational Greenbelt (approximately 1.5 acres) as more particularly depicted on **Exhibit "E"**, which is a Schematic Concept prepared by the applicant and dated _____, 2007 and referenced as Option 1.

1.9 On _____, at a duly noticed public meeting the Hailey City Council voted unanimously to annex the Subject Property upon execution of an annexation agreement setting forth certain conditions and uses regarding the Property.

1.10 On _____, the Hailey City Council approved and adopted Findings of Fact, Conclusions of Law and Decision ("Decision") approving the Application for Annexation and for Recreational Greenbelt (approximately ___ acres) and Transitional (approximately ___ acres) zoning, subject to an acceptable annexation agreement between the City and the Church.

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

2. AGREEMENT

2.1 Annexation and Zoning. The Subject Property is hereby annexed into the city limits of the City of Hailey and shall be zoned as Transitional and Recreational Greenbelt zoning, as depicted in the Schematic Concept set forth in Exhibit E. As set forth in Section 4.6.2.h of the Hailey Zoning Ordinance, churches are a permitted use in the Transitional zone and are consistent with and compatible with residential and business uses, which exist adjacent Subject Property.

2.2 Church / Design Review. ~~A portion of~~ Subject Property is proposed as a church and shall be subject to the Design Review guidelines and approvals required by the City of Hailey for approval by the Hailey Planning and Zoning Commission. The applicant shall file and receive a Design Review permit for a church prior to commencing construction on-site.

2.3 Transitional Zone Use Restrictions. Permitted uses on Subject Property shall be limited to single family dwellings, ~~dwelling units within mixed use buildings, home~~

occupations, professional offices, day care homes, day care facilities, manufactured homes, churches, and parks. Conditional uses on Subject Property shall be limited to multi-family dwellings, ~~non-profit recreation center, bed and breakfast inn,~~ day care centers, ~~personal services,~~ public service facilities, public use facilities, ~~public utility facilities,~~ semi-public uses, personal wireless service facilities, wireless community facilities, ~~above ground flammable and combustible liquid tanks used by a public use,~~ and temporary structures. Accessory uses shall be in accordance with the zoning requirements set forth by City Code. Definitions shall be in accordance with the City Code

2.4 Transitional Zone Bulk Limitations. Bulk requirements on Subject Property shall be in accordance with the zoning requirements set forth by City Code. ~~Notwithstanding, a 30' building height restriction area is required for a portion of the Property as depicted on the Schematic Concept set forth in Exhibit C.~~

2.5 No Direct Access Onto State Highway 75. A portion of the Non-Annexation Church Property Subject property fronts State Highway 75. The City and Church desire to limit access from the Property directly onto State Highway 75.

2.6 Sidewalk and Landscaping Adjacent State Highway 75. The City and the Church desire to see a sidewalk and landscaping constructed along State Highway 75 adjacent the Non-Annexation Church Property. As depicted on the Concept Schematic set forth in Exhibit D and as may be more specifically required during any Design Review approval of the Church, prior to Certificate of Occupancy of a new church, the Church shall construct approximately 212 lineal feet of a six foot (6') wide concrete sidewalk along State Highway 75 in accordance with City of Hailey standards. Further, landscaping within the 30 foot landscape area shall be installed prior to Certificate of Occupancy of a new church in accordance with the Concept Schematic set forth in Exhibit E and as may be more specifically required during any Design Review approval of the Church.

2.7 Landscape Area Adjacent Mountain View Subdivision. As testified at public hearing, existing landscaping has been planted on Subject the Non-Annexation Church Property by the owners of Lots 1, 2 and 3 of Block 1, Mountain View Subdivision. All future construction on Subject Property shall not interfere with the "Proposed 22' wide Landscape Area" depicted on the Concept Schematic set forth in Exhibit E.

2.8 Sidewalk Along River Street and McKercher Boulevard. As depicted on the Concept Schematic set forth in Exhibit E, the Church or its agents shall construct during future development of the ~~Transitional area property~~ the Non-Annexation Church Property approximately 700 linear feet of an attached six foot (6') wide concrete sidewalk along River Street and McKercher Boulevard in accordance with City of Hailey standards.

2.9 River Street Road Easement to North. In the event that the owners of River Grove Ranch Subdivision petition the City of Hailey for annexation and the River Grove Ranch property is incorporated into the City of Hailey, the easement shown across the Non-Annexation Church Subject Property may be improved by the City as a road for the benefit of the public and utilities. [NOTE: centerline of subject future 60' road easement was removed from Exhibit E as a result of the Planning and Zoning Commission's February 1, 2007 deliberations].

2.10 Water, Sewer Lines and Fire Hydrants. Water and sewer lines shall be installed before a certificate of occupancy is issued for the proposed church. The Church shall install fire hydrants adequate to provide fire flows on site before combustible construction begins or in accordance with other applicable requirements of the Fire Chief.

2.11 Legal Description. Upon annexation, the applicant shall file a record of survey that eliminates reference to the three existing tax lots and properly describes Subject Property, pursuant to Exhibit A, and the Non-Annexation Church Property, pursuant to Exhibit A1.

2.12 USFS Buildings. Subject to city approvals and the terms of the LOI, the USFS Buildings shall be placed in phases on the Church Property.

2.13 Annexation Fee. The Church shall pay to the City an annexation fee in the amount of _____. Said fee shall be payable as follows: _____.

3. GENERAL

3.1 Police Powers. Except as otherwise provided, nothing contained herein is intended to limit the police powers of City or its discretion in review of subsequent applications regarding development of the Subject Property. Except as provided herein, this Agreement shall not be construed to modify or waive any law, ordinance, rule, or regulations, including, without limitation, applicable building codes, fire codes, City's Zoning Ordinance, City's Subdivision Ordinance, and Planned Unit Development requirements for the Subject Property.

3.2 Amendment. This Agreement may be revised, amended, or canceled in whole or in part, only by means of a written instrument executed by both parties hereto and as evidenced by appropriate application.

3.3 Specific Performance. In addition to all other remedies at law or in equity, this Agreement shall be enforceable by specific performance by either party hereto. All remedies shall be cumulative.

3.4 Attorney's Fees. In the event either party hereto is required to retain counsel to enforce a provision of this Agreement, or to recover damages resulting from a breach hereof, the prevailing party shall be entitled to recover from the other party all reasonable attorney's fees incurred herein or on appeal.

3.5 No Waiver. In the event that City or Church, or its successors or assigns, do not strictly comply with any of the obligations and duties set forth herein, thereby causing a default under this Agreement, any forbearance of any kind that may be granted or allowed by Church, or its successors in interest, or City, to the other party under this Agreement shall not in any manner be deemed or construed as waiving or surrendering any of the conditions or covenants of this Agreement with regard to any subsequent default or breach.

3.6 Partial Invalidity. In the event any portion of this Agreement shall be determined by any court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining provisions of this Agreement, or parts hereof, shall remain in full force and effect and shall in no way be affected, impaired or invalidated, it being understood that such remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the invalid, void, or unenforceable provision or part hereof.

3.7 Entire Agreement. This Agreement constitutes the full and complete agreement and understanding between the parties hereto. No representations or covenants made by either party shall be binding unless contained in this Agreement or subsequent written amendments hereto.

3.8 Default. In the event either City or Church, its successors and assigns, fail to faithfully comply with all the terms and conditions included in this Agreement it shall be in breach of this Agreement.

3.9 Notices. Any and all notices, demands, requests, and other communications required to be given hereunder by either of the parties hereto shall be in writing and be deemed properly served or delivered, if delivered by hand to the party to whose attention it is directed, or when sent, two (2) days after deposit in the U.S. mail, postage prepaid, or upon the sending of a facsimile, followed by a copy sent by U.S. mail as provided herein, addressed as follows:

To City:

The City of Hailey
c/o Director, Planning Department
115 Main Street South, Suite H
Hailey, Idaho 83333
208/788-4221 (telephone)
208/788-2924 (facsimile)

To Church:

Life Church
Attn: Mike Hendricks, Pastor
P.O. Box 3490
Hailey, ID 83333
208/788-2992 (telephone)

208/788-4493 (facsimile)

or at such other address, or facsimile number, or to such other party which any party entitled to receive notice hereunder designates to the other in writing as provided above.

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.