

**MINUTES OF THE REGULAR MEETING OF THE
HAILEY CITY COUNCIL
HELD MONDAY, FEBRUARY 13, 2006
IN THE HAILEY TOWN CENTER MEETING ROOM**

The regular meeting of the Hailey City Council was called to order at 5:30 p.m. by Mayor Susan McBryant. Present were Council members Rick Davis, Martha Burke, Don Keirn, and Carol Brown. Staff present included City Attorney Ned Williamson and City Clerk Heather Dawson.

CONSENT AGENDA

Mayor pulled CA 42, 43, 45, 46, and 50 from the consent agenda. Keirn moved to approve the remainder of the consent agenda as presented; Burke seconded; the motion carried unanimously.

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| CA 41 | Motion to approve Fireworks Agreement for 4 th of July fireworks display |
| CA 42 | Motion to authorize signature of the Water Storage Tank Construction Contract |
| CA 43 | Motion to authorize signature of Highway 75 Draft Environmental Impact Statement Comment letter |
| CA 44 | Motion to accept Proposal for Services under the Idaho State Historical Preservation Grant for a reconnaissance survey from Claudia Walsworth, for a fee not to exceed \$5000 |
| CA 45 | Motion to authorize signature of Hailey's Blaine County 2025 comment letter |
| CA 46 | Motion to authorize signature of Hailey's legislative comment letter to the State Revenue and Taxation Committee, opposing proposed legislation on property tax reform |
| CA 47 | Motion to approve claims for expenses issued on February 1, 2006 |
| CA 48 | Motion to approve Treasurer's Cash Report for the month of January, 2006 |
| CA 49 | Motion to approve minutes of the January 9, 2006 City Council meeting and to suspend reading of them |
| CA 50 | Motion to approve minutes of the January 23, 2006 City Council meeting and to suspend reading of them |
| CA 51 | Motion to approve minutes of the January 24, 2006 City Council and Staff Goal-Setting meeting and to suspend reading of them |

CA 42 – Water Storage Tank Construction Contract – Mayor McBryant asked the engineer and attorney if this agreement met their professional review. Both said it had, and Williamson added that the contract covered a wide variety of possible contingencies. He had been very impressed with it. Keirn then moved and Davis seconded to approve the water storage tank construction contract; the motion carried unanimously..

CA 43 – Highway DIS Comments – Mayor McBryant said the city's comments should include mention of an overpass or underpass across Highway 75. Brown agreed, and moved to include that in the language of the letter. Keirn seconded; the motion carried unanimously.

CA 45 – Blaine County 2025 Comment Letter - Mayor McBryant said the county's plan does not provide for LI or TI growth within the county. No city has any more available space for that

type of development. Without those types of zones in either county or city inventory, we are limiting the type of professions and economic growth that can develop within our valley. Keirn agreed. Brown said all the cities would love to have LI property, but there isn't space for it. She felt the issue should be included in the letter, and she said the Glendale area near the highway would be appropriate for LI zoning. She also said population increase is an issue, and this letter is based on a pattern of growth, not a number. She added that the paragraph about density on our borders needs also to request that the county downzone the R-1 and R-4 zoning to R-5, but if it is already existing as A-10 don't upzone that to R-5. Davis agreed with encouraging LI zoning in areas that already have existing uses such as Glendale Road. Burke said there should be support services near the new airport. Brown moved to approve the letter with these revisions, contingent upon council's review of these revisions prior to the letter being sent.

CA 46 – Mayor McBryant thanked the council for approving this consent agenda item, and explained that she had sent a letter to the legislative Revenue and Taxation committee working to obtain property tax relief. Although she deems that goal important, the letter asks the committee not to do that at the expense of cities' ability to provide services. Keirn added that Idaho is considered the least home rule legislature in the entire United States. They don't want people to be able to vote on things, such as county residents or an LOT tax.

CA 50 was to be brought back at the next meeting.

OB 52 3RD READING OF HYBRID PRODUCTION FACILITIES AMENDMENT
Davis moved to authorize the third reading of Ordinance 933, amending the definition of hybrid production facilities. Keirn seconded; the motion carried unanimously.

OB 53 2nd Reading Ordinance 934 - adding Hillside Overlay District to Zoning Ord
Mayor McBryant read the second reading of Ordinance 934 by title only.

OB 54 2nd Reading Ordinance 935 – amending overlay districts in Subdivision Ord
Mayor McBryant read the second reading of Ordinance 935 by title only.

OB 55 2nd Reading Ordinance 936 - revised Planning application fee schedule
Mayor McBryant read the second reading of Ordinance 936 by title only.

WORKSHOP – AIRPORT REPORTS

Burke said she had met with the FAA on Friday last week, and the Friedman Memorial Airport draft feasibility study was accepted with certain modifications. There is no intent by the FAA to commandeer the existing airport parcel. The scoping issues were discussed, as well as a possible revisiting of all the preferred sites. Davis asked if there is an impact study of what would happen in terms of fiscal impacts to the city when the airport does move. McBryant said that matter is not being pursued in the fiscal impact study. Brown said scoping is going to raise economics as a key issue. Davis said it is Hailey city's responsibility to know what the economic impacts of moving the airport from Hailey will be on Hailey. If voters approve the LOT, the tax on rental cars would become a revenue source we would be losing 10 years out. McBryant said we will be losing that anyway, because if not replaced, the airport will be lost entirely.

Brown said she attended the Blaine County 2025 public meeting, and she had heard clearly that towns need to tell the county what they want.

Keirn said he had attended the Blaine/Ketchum Housing Authority meeting. Blaine County has 14 units coming on, many of which will be reserved for their emergency service employees. They are all rental units in Elkhorn. Wednesday evening there will be a disaster meeting; the emphasis of which is on defining a disaster and understanding the bureaucracy of a disaster and knowing where to get the money. He attended a dinner hosted by the Jackson Hole city government, and was interviewed by the Jackson Hole news.

CUTTERS ANNEXATION

Mayor McBryant explained that the Cutters Annexation hearing is continued from January, 2006 and is focused upon terms and fees required for annexation.

Williamson said after the last meeting workshop the mayor had asked Burke and Brown to meet with the applicants to negotiate the terms of annexation. Williamson said he and Heather Dawson participated in all the meetings, and Ray Hyde participated in about 3 hours of the total 7 hours of meetings. A written document would be necessary to bind the property to the terms of the agreement. He highlighted the major bullet points of the terms discussed. In terms of density, 149 residential lots would be allowed, and the applicants would pay \$3,832,500 as an annexation fee, phased over a period not to exceed 4 years after final plat recordation. In addition there would be another payment of \$5007 per lot, paid at the time of hook-up to city water and sewer systems. Further discussion about this concept will occur later. CPI adjustments would be made as time progressed and these payments became due. In addition, applicants would convey fee simple title to all the land east of the Hiawatha Canal, 78 acres. An easement for access and subsurface utility easement would be placed east of the canal, with a potential water tank site. In addition the applicants would agree to construct community housing units. They are requesting that 13 be income restricted units while 12 would be work-location restricted units. 6 of the deed restricted units would be duplexes; the remainder CH units would be townhomes. In addition the applicants have agreed to convey fee simple title to lot 73, on the south end of the development, which conveyance would occur if the applicant sold 55% of the market rate lots within 1 year of final recordation of the plat. Private alleys would be privately maintained, and the remainder of streets, water and sewer would be constructed to city standards, then accepted and maintained by the city. The applicant would retain all their water rights. A park would have to be developed, 4.13 acres is required, and an additional area shown on the plat of .73 acres would be added to the park. Open space east of the canal would remain undeveloped. The park will be dedicated to the city with an improved parking area to service the park. Sidewalk and turn lanes would be required to be constructed outside of the subdivision, at Myrtle and Buttercup.

Jim Speck, attorney for the applicant, clarified that the density actually is 116 lots and 149 units. The total number of RGB acres is 82.7 acres, which includes the park. 4.63 acres should be shown on the plat. Brown asked if the easement described is for personnel trucks, or vehicular access. Williamson said for vehicular access. Brown asked how much of the park area is under the 24% grade. Hellen said about 4-5 acres is below 25% grade, the remainder is up on the

hillside. Davis asked if lot 73 would not be deeded to the city if the 55% sale amounts aren't met. Williamson said if sale projections aren't met, the lot would not become the city's. Davis asked about the non-litigation clause. Williamson said it is an attempt to protect the city – like the non-suit covenant to protect the airport in Woodside from subdivisions. Speck said the corner lot is meant to be suitable for the fire storage facility that Chief Chapman desires.

Mayor McBryant said the city has done its best effort to take advantage of this applicant's interest in coming into the city to meet the city's need. She asked for public comment as to whether the negotiations have been satisfactory or not. There was no public comment. Brown said she was going to speak last, because she was assigned to this task, and she doesn't want to color it with her thoughts first.

Hellen said if a per lot fee is paid at the time of hookup, it will sound like the hookup fee, and he didn't like that timing. He said tying that fee to the issuance of a building permit has the potential for administrative problems, especially if building permits aren't pulled for a long period of time. He preferred to see that fee paid at the time the lot is sold, or blended into the percentage of payment at the time the percentage of lots are sold.

Grotto wanted to include added language that further subdivision of the lots shouldn't be allowed, and wanted that shown on the plat as well.

Davis said current CIP numbers for the entire city are approximately \$18 million, and this is 1/3 of that amount. Money is not everything, but when you are a cash-starved city sorely in need of capital improvements, with a 3% cap on your budget each year, he definitely needs to stand up and take notice. He appreciated the work done with the developers. He concurred with the positive results that have been reached.

Keirn said he and the mayor did the first round of negotiations on this, and his wish-list is pretty well met here. The taxpayers of Hailey are very well protected with what is here in the list. The \$5007 per lot fee must be obtained at the time of sale.

McBryant said although it may not be the best agreement we could get, it is a pretty good agreement. The applicant continued to come to the table and work with us, which is appreciated and it is time to move forward.

Burke said this is a good proposal; this looks like a part of our city, including different sized lots, with affordable housing units and open space.

Brown said when the negotiations were finished she put it aside and didn't look at it again until Sunday night, in an attempt to look at it with fresh eyes. Philosophically, if we're going to annex anything, it should look and feel like city. There's no question that Hiawatha Drive will change character as this property is developed, whether in the city or the county. This will get some benefits for everyone that we want. The expansion fee should be paid as each lot is sold. Brown said the fire station should not put there, but instead should be put in a more appropriate place as one is found. Chapman hoped to find the right parcel of land in the next 4 to 5 years- acquisition of Lot 73 is a good solution.

Mayor McBryant opened public hearing. Carol Cole of South Hiawatha said looking at the dollars and benefits to the city, this is a much different proposal than what we started with a long time ago. If the fire station lot is to be given to the city, the percentage of sales language may thwart that. It is not likely that 55% of the lots will be sold in a year, and the city may lose that lot entirely.

Dan Gillmore of Shenandoah Drive asked if, since the city is going to take ownership of 70 acres parkland, would maintenance of that be considered in the terms of the agreement. Mayor said maintenance of that park was part of the fiscal study done for this annexation.

Keirn moved that the city attorney be instructed to draft an annexation agreement containing the elements described, including the 2 changes – one that the \$5700 per lot fee be paid at the time of sale, and that further subdivision of the lots not occur. Davis seconded. Discussion then occurred.

The mayor said the 55% sales quota might be high. Keirn suggested one year at 35% or 2 years at 55%. Mayor said this is a life-safety issue. Keirn agreed that the public safety issue is pretty critical.

Speck said this point was hashed out at great length, and there is a logic behind the 55% that Campbell had explained in detail during the negotiations relative to the success of the development. The 3.8 million dollars will pay for some life safety elements, far above what the Management Partners study laid out. The applicant is not willing to bend on that particular point; that was a very important point for us. Speck said we are willing to pay at the annual payment or when the lots are sold, but didn't want the future homeowners to be paying for the same thing, in whole or in part. A hookup fee is overlapping what that \$5007 fee covers. Speck said building permits might be taken out at a point where future improvements will already have been built. Brown said she struggled with the 55% within one year clause. McBryant said it is controllable; the applicant could hold back a lot or two beyond that time frame. The applicant should be comfortable with the far more generous offer of 2 years. Burke wanted to let the attorneys discuss this. Burke said she agreed to this after long negotiation, under the intent and the financial concerns, she was prepared to support this, and she still is. Keirn asked about the significance of Lot 73, and was more comfortable with 2 years because it is controllable. Davis said there are ways of tracking this to see if lots are being held back. Changing the terms of the agreement isn't worth adding another year; he was comfortable with the way it is. Brown said her concern is that she is mentally factoring that lot in, and it may not be there. She was comfortable turning this element over to the attorneys to see if there is resolution.

Brown amended the motion to include that attorney's discuss element 6. Davis second, but the amendment failed with Davis, Burke, and McBryant opposed, McBryant said the matter should not be sent back to the attorneys, saying it is a council issue.

The motion then carried unanimously.

WINTERHAVEN

Cody McHanon of Galena Engineers presented Jim Bradley's Winterhaven Phase 2 Condominium final plat. Grotto said one unit will be a community housing unit to satisfy both the Frosty Acres development requirement and the Winterhaven requirement.

Mayor McBryant opened the public hearing. There was no public comments. **Davis moved to approve Winterhaven Phase 2, with conditions A-F.** Keirn seconded; the motion carried unanimously.

CITY OF HAILEY FINAL PLAT APPROVAL - PARCELS B&F WITHIN PARCEL O

Grotto presented an amended final plat application for the vacation of public utility and drainage easements on Parcels B and F within Plat 5 and Parcel O within Plat 15 of Woodside Subdivision, the intention of which is to remove utility easements from parcel B, and in parcel F the amended plat would remove blanket easements. Easements would remain along each of the public streets. There are telephone and cable utilities. The blanket open space designation within parcel O would be removed, as well as the utility easements. She said council motions should address both the amended plats and vacation of those blanket easements.

Williamson said under state law, we must follow procedure, including notices to utility companies asking for their consent to removal of public utility easements. He said he is working in the direction to these consents, and condition B is there to allow for that to occur.

Mayor McBryant opened the public hearing. Dan Gilmore of 850 Shenandoah Drive #7 said as a homeowner he backs up to the easement that would be vacated. He asked if the city intends to sell this property, and was concerned about the possibility of development occurring 25 feet closer to his property. He suggested maps be included with the notice letters. He was concerned about the precedence this would set for other easements around town. McBryant asked Grotto if the setback from the property line to the townhouse is protected. Grotto said setbacks are protected, and would not be changed. McBryant said landscaping on the easement is subject to being lost when utility work in the easement is done. Brown clarified with the engineer that we're not creating property that can't be served by utilities. Grotto said there was no public in attendance when the hearing examiner reviewed this matter, and the same mailing list was used for this hearing.

Davis moved to approve the final amended plat, and approve the vacated utility easements with conditions A-C attached. Keirn seconded; the motion carried unanimously.

JOINT TRANSIT AGREEMENT

Brown said in the last 6 months there has been an active movement to create more efficient transportation means, combining the Peak Bus with the KART system, which would allow the new body to apply for more and better grants to service the south valley. It makes sense to do this financially, and, just like with the housing authority, if it's going to happen, she would like us to have some voice at the table. We can have a voice at the table that's not that of an official member. She presented the agreement the Ketchum and Sun Valley city council's have

approved. Williamson has reviewed it from a legal point of view, and Brown asked for his comments.

Williamson said we need to make sure there is an exit clause, so as not to create a liability beyond one year. This does allow the city to pull the plug if it didn't have the budget dollars. Keirn said Ketchum and Sun Valley would have two voting members each, and every one else one vote. But each member would be responsible for funding a budget adopted by the authority. Williamson said each party will contribute its respective amount of money during its budget process. The agreement doesn't deal with what happens if a party doesn't contribute.

The mayor said the bus can't operate in our city without our approval, and can't stop at our bus stops without our approval. It is to their benefit more than ours to have us contribute. Currently we plow bus stop, an in-kind service that is fuzzy because it takes staff and equipment away from what they would normally do. Do we need to have a vote, or are we pretty close to ex-officio power without the legal obligation?

Brown said our contribution is getting citizens onto the bus with their fare, and getting them off the highway. She said no money has been volunteered by her on the city's behalf. Whether we need to be a voting member is a good question and one she hasn't thought of. Keirn said the vote would be 4-3 each time, with the Ketchum and Sun Valley votes adding up to 4 and Hailey, Bellevue and Carey adding up to 3. Brown said getting our residents on the bus is the right thing to do even if we don't get a vote. Every city has been offered an ad-hoc position, a no-vote participation status. Davis said he can't sign the agreement without knowing the financial consequences.

Brown summarized that we would love to sit at the table, but are unable to sign an open-ended agreement. McBryant applauded Peak for being able to combine with Kart, utilizing lesser funding to serve the greater need, but added they don't need our membership to achieve that goal. Burke said without knowing what their needs are, how can we make that commitment to them. McBryant said if they can document in-town circulator usage, perhaps we could support them. The benefit of the system is to the northern communities, not to the citizens of Hailey.

GOAL SETTING

Mayor McBryant felt the goal setting wasn't fully completed; the mayor and council's goals did not necessarily meet staff's goals. The intent was to recognize that staff's job is to meet the goals of the council, but we haven't yet taken the conversation to that level. She read the council's goals. She noted that we are a busy council, very directed, reasonable, and not afraid to extend our reach. She said she was very proud of the work the council had done. Davis said his goal # 3 was to maintain our current form of government. He said he found it enlightening to have staff present at the goal setting workshop. McBryant said that this discussion would be taken to staff, and items that can not be met within 100 days will be identified.

COUNCIL REPORTS Davis said Ron Moore had asked for \$1000 dollars from the council's discretionary fund. Williamson said any funds spent by the council have to be for a public purpose and for the benefit of citizens of Hailey. If an expense such as this can be related to a

contract for service, that could be discussed. Davis felt that was answer enough to take back to Moore.

Davis said he had received some comments relative to demolition permits from an older couple with medical bills who had planned on demolishing an unsuitable, non-historical house in order to rebuild it on only one lot. He said the moratorium has thwarted that plan. Williamson said he could work on some criteria that would allow that type of activity. McBryant said there is not a week that goes by that she isn't called to see what she can do to work around an ordinance that is preventing someone from doing something they need to do. The problem is that this council can't say let's waive it off for this person. We can't change the laws for every request. Davis said if the demolition ordinance can be brought to this body, then the council could lift the demolition moratorium. Grotto said the Ketchum ordinance depends upon a windshield survey, and without that survey we don't have a list of properties to preserve.

Davis said the Local Option Tax fact-sheet had been developed and would be used to educate citizens about the LOT. An effort would be made this week to get the backing of the businesses.

Davis said the Blaine County Recreation District wanted someone to represent the city regarding safety on the bike path, and he was willing to take on that duty..

Keirn said when he had dinner with the folks from Jackson Hole, he spoke with the new owner of the Hailey Hotel, who said Hailey's Building Official Dave Ferguson was the best building official he had ever worked with.

Burke said she was pursuing an effort to bring a Walkable Communities presentation to Bellevue and Hailey.

Brown said she and Davis had traded roles in terms of attending the library and parks and lands board meetings. Davis would begin attending the parks and lands board meetings and Brown the library board meetings beginning next month. McBryant said these duties are informal, non-appointed, and she supported the switch. If in the future either council member can't attend these meetings, she asked to be informed.

There being no further business, Mayor McBryant adjourned the meeting at 8:00 p.m.

Susan McBryant, Mayor

Heather Dawson, City Clerk