

**MINUTES OF THE CITY OF DRIGGS
CITY COUNCIL MEETING
SEPTEMBER 16, 2014**

Pursuant to adjournment of the City Council meeting held September 2, 2014, and the call of the Mayor, the Driggs City Council met **Tuesday, September 16, 2014**, at 7:30 p.m. A roll call was taken and present were council members: Greer Jones, Ralph Mossman, August Christensen; Mayor Hyrum Johnson, Community Development Director Doug Self, Public Works Director Jared Gunderson, and Planning and Zoning Administrator Ashley Koehler. Council Member Jones led the Pledge of Allegiance.

APPROVAL OF MINUTES

Council Member Jones made a motion to approve the minutes from the City Council Meeting on September 2, 2014 as corrected. Council Member Mossman seconded the motion. The motion passed with all in favor.

CLAIMS

The Council reviewed the claims. Doug Self requested an invoice be added from DDCA regarding a contract with Virginia Newsom in the amount of \$2,000.

Council Member Mossman made a motion to approve the claims as presented from September 3, 2014 through September 16, 2014 with the addition of the payment to Virginia Newsome in the amount of \$2,000. Council Member Christensen seconded the motion. The motion passed with all in favor.

MAYOR'S BUSINESS

City Council Vacancy Appointment and Swearing-In

Council Member Jones made a motion to ratify the appointment of Wade Kaufman to the City Council to fulfill the vacant seat. Council Member Mossman seconded the motion. The motion passed with all in favor.

Mayor Johnson conducted the oath of office with newly appointed Council Member Kaufman.

**PUBLIC HEARING (CONTINUED FROM 9/20/2014): PROPERTY EXCHANGE
– HUNTSMAN SPRINGS PARK**

Mayor Johnson stated the applicant had formally withdrawn the proposal. He closed the Public Hearing and stated no further action would be taken at this time.

**7:30PM PUBLIC HEARING: HUNTSMAN SPRINGS PUD AMENDMENT AND
USE EXCEPTION FOR HOTEL**

Ashley Koehler stated the applicant was requesting a use exception for a hotel, with related commercial uses, on the north end of the PUD (Planned Unit Development). The Council was being asked to decide on the location and scope of the commercial uses and

the height of the structures. The applicant was also requesting to incorporate 9 acres, recently annexed, into the PUD through a boundary adjustment.

Ms. Koehler explained that owners of a PUD could go through a process to have a use exception granted. However, only 5% of the total area of the PUD could be used for that particular use. After the proposed boundary adjustment, Huntsman Springs would meet this requirement.

Huntsman Springs had approval for a hotel site on the south end of the project. The request was to move to the north end of the development and have a resort-type hotel, including commercial uses.

The Planning and Zoning Commission reviewed the application and made a recommendation to approve the use exception and PUD amendment with conditions as sited in the staff report.

Ms. Koehler summarized the public comments received after the deadline, stating the majority of those submitted were concerned with retail being allowed at the north end of town. Several were concerned with the lack of development on the south end and requested that attention be given to that area. The remainder were concerned with the height of the proposed hotel. Other public comments that were received prior to the deadline were included in the staff report. All public comments had been reviewed by the applicant, Ms. Koehler stated.

Ms. Koehler explained that part of the use exception analysis was to review the benefits to the city. She reviewed those with the Council, stating that Huntsman Springs was proposing an estimated construction budget in excess of 50 million dollars, would create jobs during and after construction, and was expecting to spend 2.4 million dollars on a promotional budget that would help promote Driggs and Teton Valley.

Ms. Koehler explained how the calculations for the height limit of the hotel were determined. She stated one way to look at building height was to measure from finished grade to the tip of the highest point, measuring approximately 52' tall. However, the definition of height in the zoning ordinance measured from the curb side to the highest point, which would be approximately 36'. Because there was no height standard in a PUD, the Council would need to determine what the maximum height of the hotel should be.

Ms. Koehler stated the applicant submitted a narrative describing the different uses in the hotel. She stated the footprint of the hotel had remained the same and after review, felt the uses were consistent with what a hotel would offer.

Huntsman Springs would like to develop this hotel on the north end of the development to take advantage of the views and the additional space. At this time, they had rights to develop a hotel on the south end, but had no obligation to build it or develop any of the lots. Ms. Koehler stated this was a concern from the public. She reviewed the lots that

were owned by Huntsman Springs on the south end. Ms. Koehler discussed with the applicant ways to improve the area and stated the applicant was receptive to the idea.

Ms. Koehler stated Huntsman Springs had proposed public pathways. With the hotel proposal they would connect to the existing pathway on Primrose St and around Valley Centre up to the 1000 West. This was a public road that would connect to the Rail Trail link in Tetonia.

Ms. Koehler explained the proposed commercial space that was outside of the hotel. This would include 7 separate buildings that would have “guest-oriented” shopping, totally 14,151 square feet. After finding a metric calculation based on the amount of guests the hotel could accommodate, approximately 12,000 square feet of retail space could be supported. She requested the retail space be reduced and be strictly “guest-oriented” as to not compete with downtown retail. She did not feel general retail should be allowed on site.

Bob Ablondi, with Rendezvous Engineering, spoke on behalf of Huntsman Springs. He provided background of the development and stated the additional 9 acres would assist in the overall plan. He commented on the pathway and stated that a connection would be completed to Highway 33 by next year as part of a previous requirement. The other connections would be made to take the pathway to 1000 West. The exact locations would be determined as construction was completed.

Jim Culpepper, from CMMI, Inc., spoke to the Council regarding the hotel and its height. He stated the flow and logic of the hotel site made more sense to be on the north end. He explained the layout of the site and its amenities.

Mr. Culpepper stated the height of the hotel had been through several revisions and had been reduced to 52'. He stated most calculations of height were taken from the curb side, as indicated by Ms. Koehler. A blended calculated measurement would indicate the height of the hotel was below the standards.

Corey Hoffpauir, from Panorama International, discussed the benefits of the hotel, stating 1.5 employees per hotel room was projected, creating approximately 186 full time year around jobs. He stated they hoped to employ local citizens who want an opportunity to hold the various positions. This would, in turn, increase the housing demand. Once the hotel was established, Mr. Hoffpauir estimated each hotel guest would spend \$125 per day outside of the hotel property. He further explained the benefits to resort tax, property tax and tourism for the city.

Mayor Johnson opened the Public Hearing at 9:50pm.

Bill Becket spoke in favor of the application and stated he was agreeable with the location of the hotel on the north end of the development and was looking forward to the amenities provided.

Bob Fitzgerald also spoke in favor, but questioned if job training would remain in the valley and if wages would equal those at an established five-star hotel.

Joe Burns, a Huntsman Springs home owner, spoke in support of the application. He stated Huntsman Springs had given so much to the community, including the County Courthouse and Celebrate America. He saw no downside in building the hotel and recommended approval.

Tony Goe spoke in favor and stated the short term economic benefits were obvious, whether the hotel was built on the north end or the south end of the development. He concluded by stating the Council should review the benefits of the project for those working and living in Teton County.

The last to speak in favor of the application was Bill Reed. He stated that nearby resorts, such as Sun Valley, included retail in hotels and felt it was not detrimental to the businesses in valley.

Dave Axelrod stated VARD did not oppose the location of the hotel at the north end of the development, but was concerned with the consequences on the relocation. He felt there were 4 issues that should be addressed in regards to the abandonment of the previous site. He concluded by supporting the relocation, but felt there should be conditions to have a well-developed plan at the south end of the development.

John Hansford, a property owner in Huntsman Springs, stated he was in favor of the project but hoped that Huntsman Springs would work with current property owners within the development to construct employee housing or other commercial space.

Stacy Frisk, from VARD, spoke in the neutral position. She supported the relocation of the hotel, but was concerned with the vast amount of retail development that could be possible. She stated it would undermine downtown business and recommended no retail use at the hotel. She suggested Huntsman Springs develop the commercial area around the Courthouse for their needed retail.

Anna Trentadue, spoke in a neutral position and “strongly [cautioned] the board not to grant a height exception.” She did not feel the Council had the legal authority to do so and were misapplying the height exemption. She concluded by stating the Idaho Supreme Court ruled that height exemptions could only be granted through a Conditional Use Permit or a variance, not through a PUD.

Alice Stevenson felt improvements should be required around the Courthouse and was opposed to commercial retail at the hotel because she did not feel the community could support it. She further suggested the Council to be careful in granting “special” exemptions because it could set a precedent.

Richard Berg spoke in a neutral position. He felt the site on the south side of the property was “ridiculous” for a resort hotel.

Marilyn Couch voiced her concern for the optimism being presented in regards to the additional employment and money being brought into the valley and stated the numbers seemed higher than should be expected.

Mayor Johnson closed the Public Hearing at 10:26pm.

Ms. Koehler informed the Council that the height for the development was regulated by the MUR-1 zone, which stated development standards were regulated by the Master Plan. The Council would determine the height that would be incorporated on the Master Plan for this site. Ms. Koehler stated the Council was not declaring an exemption, but determining the standard for height in this zone.

Ms. Koehler further described the options the Council had regarding commercial retail at the hotel. She stated the limitations to retail should be identified on the Master Plan and the Development Agreement, and reviewed when obtaining a building permit.

Mr. Hoffpauir answered questioned posed in the Public Hearing. He stated they would be providing extensive training and employee wages would be similar to those at other five-star resorts.

Mr. Ablondi referred to the differences and similarities between the recommendations in the staff report and those suggested by Huntsman Springs. He state Huntsman Springs was willing to provide a connection to 1000 West, which could ultimately connect to 2500 North.

Mr. Ablondi referred to the height of the hotel and stated the peak of the lobby facing the east was 52'. Because there were many different pitches and roof ridge elevations, he requested flexibility with the remaining roof lines.

Mr. Hoffpauir discussed the concerns regarding retail space. He stated 10,000 square feet was the minimum to achieve the goals. He further stated that 4,000 of the 10,000 square feet could be used for the training and culinary center, which would remove it from the market for 3 years. However, the entire 10,000 square feet would need to be built at the beginning of the project as to not interrupt the guest experience.

Council Member Christensen questioned if sales would be a part of the excursion center. Mr. Hoffpauir responded by stating there may be a few sales, as it was part of the "excursion experience" and would be in addition to the above mentioned 10,000 square feet of retail space.

Council Member Jones made a motion to approve the amendment to the PUD Master Plan incorporating an additional 9 acres to the north end of the development. Council Member Ralph Mossman seconded the motion. The motion passed with all in favor.

Discussion of employee housing began. The proposed site for employee housing was located in the county portion of the PUD. However, Ms. Koehler stated that because of the annexation agreement approved at a recent meeting, prior to platting other portions of the development, the said property must be annexed. Council Mossman requested an employee housing study be done at the time the hotel was built.

Council Member Mossman made a motion to approve the location of a resort-hotel at the north location contingent on adoption of the employee housing study and a beautification and maintenance plan for the land around the courthouse and mixed use lots, which would be submitted at the time of subdivision platting and approved before the hotel construction was completed. Motion died for the lack of a second.

Council Member Mossman made a motion to approve the location of a resort-hotel at the north location contingent on a study of employee housing being completed and submitted to the city before obtaining a building permit, and a beautification and maintenance plan for land around the courthouse and mixed use lots be submitted at the time of subdivision platting and approved with installation being completed with hotel construction. Council Member Kaufman seconded the motion. The motion passed with all in favor.

Council Member Mossman made a motion to remove the commercial footprints and their associated square footages in the table. Council Member Jones seconded the motion. The motion passed with all in favor.

Council Member Jones made a motion to approve the pathway plan as part of the PUD Master Plan with the following changes: to update the plan to rename the pathway along the hotel from “temporary” to “preliminary”, to provide a pathway connection to county road 1000 West which could ultimately connect to 2500 North and the future Rail to Trails pathway, and to revise the label to the Pathway Map to “City Portion” only. Council Member Mossman seconded the motion. The motion passed with all in favor.

Council Member Mossman made a motion to approve the resort-hotel at the proposed location with the footprint and description of uses inside the hotel. Council Member Jones seconded the motion. The motion passed with all in favor.

Council Member Jones made a motion that the peak of the lobby facing the east/Hwy shall be a maximum of 52’.

Council Member Christensen stated she would rather wait on the above motion to verify the process of determining height with the City Attorney.

Mayor Johnson suggested the Council approve the height with the condition it is reviewed and approved by the City Attorney.

Council Member Jones amended the above motion to require the peak of the lobby facing the east/Hwy to be a maximum of 52’ contingent on the review and approval of

the City Attorney regarding the concerns expressed by Anna Trentadue. Council Member Kaufman seconded the motion. Council Member Jones, Council Member Mossman and Council Member Kaufman voted in favor. Council Member Christensen was undecided. The motion passed with a majority in favor.

Ms. Koehler explained that hotel elevations ranged from 41' to 49' which helped to break up the building. She further stated she would support some portion of the roof lines at a height of more than 45'.

Council Member Jones made a motion to have the roof ridge elevations of the majority (60%) of portions of the hotel not to exceed 45' feet in height, with 40% not to exceed 49' in height, when measured from the east facing finished grade elevation and contingent on the City Attorney review. Council Member Mossman seconded the motion. The motion passed with all in favor.

Council Member Mossman felt the commercial discussion should be referred back to the Planning and Zoning Commission, as he felt they didn't provide adequate information for the Council to review. He would like to see a plan from Huntsman Springs as to how they would promote downtown businesses and the Teton Geotourism Center. Mr. Self suggested the Council not allow the additional 4,000 square feet be occupied until non property sale tax increased by 5%.

Council Member Jones made a motion that commercial outside of the hotel operations shall be "guest-oriented" and the types of commercial uses shall be specific to the activities performed at the resort such as golf, tennis, swimming and skating. Specific uses shall be identified at the time of platting and incorporated into the Development Agreement and noted on the subdivision plan, and a plan detailing how the hotel will support and promote the Teton Geotourism Center and downtown businesses shall be submitted. Council Member Mossman seconded the motion. The motion passed with all in favor.

Council Member Mossman made a motion that the footprints of the commercial outside of the hotel operations shall be reduced in size to 10,000 square feet and oriented around the ice rink. A revised site plan reflecting these changes would be submitted to the Planning and Zoning Commission and City Council at the time of subdivision platting for review. 4,000 square feet of the total 10,000 square feet would not be available for commercial operations for a period of three years after completion. Council Member Jones seconded the motion. The motion passed with all in favor.

Council Member Jones made a motion that any future commercial requested beyond this scope shall be subjected to the Use Exception review process at that time. Council Member Mossman seconded the motion. The motion passed with all in favor.

7:45PM – PUBLIC HEARING: FY 2014 APPROPRIATION AMENDMENT

Mayor Johnson reviewed the comments submitted by Carol Lenz, the Financial Officer.

Mayor Johnson opened the Public Hearing at 12:24am. There were no comments and the Public Hearing was closed at 12:24am.

ORDINANCE #349-14 – FY 2014 APPROPRIATION AMENDMENT

Council Member Mossman made a motion to suspend the rules and read by title only Ordinance #349-14. Council Member Jones seconded the motion. A roll-call vote was taken: Council Member Jones, aye; Council Member Mossman, aye; Council Member Christensen, aye; Council Member Kaufman, aye.

Council Member Mossman made a motion to approve Ordinance #349-14 and read by title only and consider it thrice read. Council Member Christensen seconded the motion. The motion passed with all in favor.

AIRPORT – FAA GRANT FOR LAND ACQUISITION

Mayor Johnson stated the Grant Application for the purchase of lots at the airport was received. This grant would cover 90% of the cost for that project. The City Attorney had reviewed the document and recommended approval.

Council Member Mossman made a motion to accept the agreement with the FAA for the Grant Offer AIP Project No. 3-16-0012-013-2014 and Contract No. DOT-FA12NM-2065. Council Member Christensen seconded the motion. The motion passed with all in favor.

WASTEWATER WILL-SERVE LETTER REQUEST – GRAND TETON VODKA

Mr. Self presented information to the Council. A letter from Jorgensen Associates was received requesting service and proposing the extension of the sewer line to Grand Teton Vodka. Mr. Self stated the included Development Agreement was standard for the city.

Council Member Mossman voiced concerns regarding the financial guarantees referenced in Section 6 and 7. Mayor Johnson stated it was not typical to hold a surety bond through the warranty period.

Council Member Jones made a motion to approve the request for Grand Teton Vodka Will Serve Letter for city services at 1755 N Highway 33 and the Development Agreement contingent on the City Attorney reviewing and approving Section 6 and 7 to add a retainage. Council Member Mossman seconded the motion. The motion passed with all in favor.

PROSECUTORIAL SERVICE AGREEMENT WITH TETON COUNTY PROSECUTOR

The Council discussed the term of the agreement, including the compensation with a 2.3% annual increase.

Council Member Mossman made a motion to accept the Prosecutorial Services Agreement as presented. Council Member Jones seconded. The motion passed with all in favor.

ASSURANCE OF COVERAGE AGREEMENT WITH COUNTY SHERIFF

Mayor Johnson stated the agreement had revisions and additional elements that differ from previous agreements, including reporting to the Council on a quarterly basis and the addition of animal control.

Council Member Jones made a motion to approve the Assurance of Coverage Agreement with the Teton County Sheriff as presented. Council Member Mossman seconded the motion. The motion passed with all in favor.

TETON GEOTOURISM CENTER MANAGEMENT AGREEMENT

Mayor Johnson state the above item would be addressed at the next meeting.

TVRA OFFICE LEASE

Doug Self requested this discussion be tabled at this time.

ACME SCENIC AND DISPLAY CHANGE ORDER NO. 2

Mr. Self stated the Change Order No. 2 for \$1,772.25 was for LED lighting for a display in the Geotourism Center. Mr. Self believed that the funds were available, but would verify with the Financial Officer.

Council Member Mossman made a motion to approve Change Order No. 2 to Acme Scenic and Display in the amount of \$1,772.25 conditioned on the funds being available. Council Member Christensen seconded the motion. The motion passed with all in favor.

MAYOR’S BUSINESS

Planning and Zoning Commission

Mayor Johnson stated Larry Young expressed interested in serving on the Planning and Zoning Commission.

Council Member Christensen made a motion to ratify Larry Young to the Planning and Zoning Commission for the remainder of the term. Council Member Jones seconded the motion. The motion passed with all in favor.

STAFF REPORT

Jared Gunderson gave the Council an update on the activities of the Public Works Department.

ADJOURNMENT

Council Member Jones made a motion to adjourn. Council Member Kaufman seconded the motion. The motion passed with all in favor and the meeting was adjourned at 12:54am.

ATTEST:

Kreslyn Schuehler, City Clerk

Mayor Hyrum Johnson