

MINUTES OF A CONTINUED MEETING OF THE
COEUR D'ALENE CITY COUNCIL
HELD IN THE LIBRARY COMMUNITY ROOM
ON JANUARY 22, 2024 AT 12:00 P.M.

The City Council of the City of Coeur d'Alene met in continued session with ignite cda, and the Planning Commission in the Library Community Room held at 12:00 P.M. on January 22, 2024, there being present the following members:

James Hammond, Mayor

Woody McEvers) Members of Council Present
Dan Gookin)
Dan English)
Kiki Miller)
Amy Evans)
Christie Wood)

Tom Messina) Members of the Planning Commission Present
Jon Ingalls)
Lynn Fleming)
Peter Luttrupp)
Phil Ward)
Sarah McCracken)
Mark Coppess) Member of Planning Commission Absent

Jim Chapkis) Members of ignite cda Present
Sarah Garcia)
Mic Armon)
Chris Meyer)
Brinnon Mandel)
Scott Hoskins)
Alivia Metts)

STAFF PRESENT: Troy Tymesen, City Administrator; Randy Adams, City Attorney; Renata McLeod, City Clerk; Hilary Anderson, Community Planning Director; and Bill Greenwood, Parks and Recreation Director; Tom Grief, Fire Department.

CALL TO ORDER: Mayor Hammond called the meeting to order.

City Administrator Troy Tymesen noted that the City partnered with ignite cda (ignite) in selling the Atlas Waterfront development areas, with only 4 areas remaining to be sold; Areas 5A, 7, 11, and 20. He noted that ignite will provide updates regarding the Atlas Waterfront development and would like feedback regarding attainable housing and the creation of new urban renewal districts. He clarified that ignite is using 100% to 120% of area median income for the calculation of attainable housing affordability potentially to be located on Areas 11 & 20 in the

Atlas project site. Attainable housing could be achieved with the land provided at no cost to the developer, dwellings between 1,000 and 1,500 square feet in size at an R-8 density. Market rate development could be achieved with revenues possibly used as loans to other newly created districts. Another option for market rate housing would be to maximize revenues and close the district prior to its 2038 termination date, satisfying Atlas district debt obligations and reimbursement to the City at that time.

Phil Boyd, with Welch Comer Engineers, noted that the Atlas Waterfront development objectives were to preserve waterfront property for the community and to stimulate private development in a blighted portion of the area of city impact. He noted that the City made a \$9 million investment in the property which needs to be paid back to the City. There have been challenges on the site including high raw land costs, unsuitable soil, and conditions. He reviewed the timeline of the development from 2017 to present, including four PUD amendments that were approved to respond to some of the marketability items that arose. Mr. Boyd provided an overview of the 10 requests for proposals and the corresponding purchases. He explained that the first development was envisioned to be mostly townhomes and condominiums with a commercial zone on the west end; however, the market changed and it ended up being built as single family dwellings and twin homes to the north with townhomes in the southeast, and apartments on the west end. Area 7 was laid out as townhomes and/or twin homes, but the lots have not yet been sold as the Area is located next to an area undergoing excavation (Areas 11 & 20 site). He reviewed the development standards for the land disposition which included the creation of unique neighborhoods, establishment of land use options, development character and quality. Mr. Boyd noted that they did seek a PUD for the property to secure the necessary density. Thereafter, ignite advertised request for proposals for the development in accordance with the PUD. This process provided an opportunity for multiple types of developers and builders and multiple types of purchase terms and conditions. When responses to proposals come in, the review team meets and scores and evaluates the submittals. Several proposals have been received and rejected, such as the case with Area 13, as it is difficult to meet what the market will bear and what the committee wants to have included. He believes that the RFP property disposition & development process has allowed several local developers to participate in the development process.

Mr. Boyd noted that within the proposed development of Area 13, which has been through several revisions, the accepted proposal includes a restaurant, underground parking, while maintaining the view corridor. There are 22 residential units proposed with an 8,000 square foot restaurant/bar. In Area 5B, the proposal is for a tiered development which will provide vistas to all units. In Area 14 and 15 the accepted proposal provides for single family homes and in Area 18 and 19 a twin home type product.

DISCUSSION: Councilmember McEvers asked if the City originally bought Mt. Hink, with Mr. Boyd noting that it was part of the Bad Axe property purchased by the City. He clarified that the Market exploded, which allowed enough revenue to move Mt. Hink off site. The triangle parcel was not originally included as part of the land purchase; however, the City was able to make a land trade with Mr. Douglas to allow for more density. Commissioner Ingalls noted that there were tradeoffs to garner 4,000 linear feet (12 acres) of public waterfront. Noting that ignite had to sell other land to make money to pay off the purchase amount invested. He

asked if there was an estimated dollar value to the 12 acres of waterfront with Mr. Boyd noting that he doesn't have a number, but the investment made by ignite was \$6.2 million, including all shoreline stabilization. Councilmember Gookin asked how much was spent on remediation of Mt. Hink. Commissioner Flemming also requested the amount spent including land cost, Mt. Hink removal, fill soil, infrastructure, signage, and consultants. She expressed concern regarding how much it has cost the taxpayers. She noted that ignite must place expensive housing there in order to pay the investment back, so she doesn't see how they could discuss affordability. Mr. Boyd explained that he does not have the total costs at his fingertips and clarified that it has been presented to the ignite board, which serves as the agency with fiduciary responsibility. Councilmember English noted that there were multiple decision points between ignite and the Council regarding Mt. Hink, including the decision not to close the trail during the filling of the pit at Ramsey, and that Council requested to leave the trail open at a higher cost. However, he believes there is an opportunity for housing. Commissioner Ward noted that obstacles were extensive and had to be addressed to make the land developable, he questioned if any developer would do this without the assistance of urban renewal. Ignite cda Executive Director, Tony Berns, noted that the developers originally wanted to develop the waterfront and leave the rest vacant; however, and City controlled the railroad right-of-way, so they didn't have access to the waterfront, which allowed the Council the opportunity to buy the site for protection of the public waterfront.

Mr. Berns noted that the ignite board would like to evaluate opportunities to develop attainable housing. This may not have to take place on Atlas, but he is seeking general input. He noted two areas within Atlas, Areas 11 and 20, as possibilities for attainable housing, which is based on 100% to 120% of area median income. He reviewed a concept of what could be developed on Areas 11 and 20, to include approximately 9 acres that could contain up to 73 dwelling units at R-8 density. He noted that a homeownership model with deed restrictions could be an option. He reiterated the options that include market rate development and using remaining revenues as loans to other newly created districts or to maximize revenues and close the district prior to its 2038 district closure, with earlier reimbursement to the City for their investment in the Atlas site. He reviewed the intended reimbursement schedule to the City.

DISCUSSION: City Administrator Troy Tymesen clarified that reimbursement to the City will repay loans to the enterprise funds and would not go into the General Fund. Councilmember Wood noted that she supports urban renewal and supports the projects. She reiterated that the reason the City purchased the land was to protect public waterfront property for future generations. She noted that she served on the Atlas Waterfront Project sub-committee and was focused on getting the City reimbursed for its initial investment. She explained that the sub-committee looked for proposals that could get the money back and there was a lot of effort put on proformas, and they shortened payback as much as possible. At that time there was no discussion on affordable housing and now we are talking about attainable housing. She further noted that developers were not given any breaks and paid top dollar and the property has to developed according to standards and the PUD. Councilmember Wood expressed concern that it would be unfair to give away Mt. Hink and noted that she struggles with what the city's role is in affordable housing. While she appreciates the Panhandle Affordable Housing Alliance, she believes the government should encourage housing, but not be the developer. She further noted that she is not wild about starting a new district and felt they should be focused on job creation

and reimbursing the city for their Atlas site investment . Ignite board member Metts concurred that job creation is important and one challenge for Coeur d'Alene is the infill, and how does that look like for job creation if you don't have the space. She noted that the Health District still needs partnerships to help with housing. Mayor Hammond expressed concern with what housing looks like with government subsidies, noting that he would need to see successful examples of long-term housing to support it. He noted that that ignite should focus on goals of current districts, and getting the City reimbursed as quickly as possible. The Mayor stated that the City's responsibility is to look at our regulations and determine if they are an obstacle to developing housing. Councilmember Miller noted that affordable housing is definable, and she noted that people need to live where they work and she believes Coeur d'Alene is the next Sun Valley and Ketchum, wherein teachers, cooks, and healthcare workers can't afford the housing. She noted that a study is being done regarding commute ratio, which demonstrates that workers in all categories are moving further out from where they work. She believes that government should work with developers, specifically if City has the opportunity to work with ignite, they should look at how we can provide home ownership, into perpetuity with a deed restriction and asset limits. Councilmember Miller noted that there was a deficit of housing from the last recession that has never been caught up with the needed units. Ignite board member Chapkis asked how many units are needed to catch up, with Councilmember Miller noting that 1,500 units need to be built a year to make up for the shortage. Commissioner McCracken noted that there is \$5.4 million in revenue estimated from Atlas and questioned if that included Area 7 and 11. Mr. Berns noted that the amount she referenced is an estimate of what can be reimbursed to the City from the Atlas district noting that reimbursement could be made sooner if ignite didn't pursue attainable housing. Commissioner McCracken asked if ignite kept it affordable then how would deed restriction be managed, with Mr. Berns stating they would need a partner to manage it. Councilmember Evans asked how long it would take to gather more information regarding micro-districts, with Mr. Berns explaining that it would depend on size and parcel availability sharing that there may be possibilities on East Sherman, noting that today the ignite board is seeking feedback on the possibility of attainable housing on Areas 11 & 20 (the Mt. Hink area). Councilmember English noted that the presentation had an attainable housing unit listed at approximately \$300,000, and he believes that unless all the units fall at \$275,000 range, he doesn't see how it pencils. Mr. Berns explained that if the developer got the land for free and with the current cost of building homes that would be attainable for those close to 100%-120% AMI. Councilmember Evans stated she would be interested to see an analysis of micro-districts. Mayor Hammond noted that the question should be would Council like to see urban renewal efforts in terms of coming up with strategies that would pencil to create attainable housing opportunities and expressed concern about taking one section of land and making is attainable housing, as it feels segregating low-end housing is not effective. Councilmember Miller stated that she would like to create the partnership for creating local workforce housing and would like to see the costs come back for additional information to Council and felt that the City could afford to defer reimbursement. Councilmember Gookin reiterated that he does not believe government should be a developer and that service workers already can't afford to live where they work and believes transportation would help solve the problem. He believes ignite should leave Mt. Hink alone and make it open space as originally planned. He felt that more districts would cause more gentrification, and he would like to see the district closed early. Ignite board member Metts noted that these decisions are for the people who will live here in the future. Councilmember Wood noted that the \$900,000 homes are there to pay for the park and public

access to the river. Councilmember Miller noted that third party management process is successful and not a subsidy, deed restriction would limit the income and assets and keep it affordable in the future. Ignite board member Mandel noted that the ignite board had two original mandates; to reimburse the City and to protect the waterfront. She noted that in every RFP process they consider the financial model and the mandates. While they didn't get as much density and commercial development as originally envisioned due to the market changings, their charge was not for affordable housing, and she felt they may not even reach the attainable housing price point at Mt. Hink.

Mayor Hammond felt that the discussion should separate out the parcels from discussion on attainable housing. Ignite could come back with a couple things for more specific feedback, as it is fair for the City to know the exact costs/finances and what might ignite offer in terms of helping the City with attainable housing/local worker housing. Councilmember Wood asked how the City can help with job creation for large companies. Councilmember English noted that it was a big decision to dedicating the waterfront as public space, like a Tubbs Hill, so we borrowed it understanding we will get paid back as soon as we can until recently, the workforce housing became an option for this site. He felt the City should get reimbursed first and maybe simultaneously look at options for housing. Councilmember Gookin felt the City should work with Coeur d'Alene Area Economic Development Corp. (CdAEDC previously known as Jobs Plus) and the County to create jobs and get momentum going. Councilmember Miller stated it would be great to hear from CdAEDC and housing concerns for large job recruitments. She would like to see expanded/micro-districts research and look at sideboards that legislation can't change rules during the middle of the development. Ignite board member Metts noted that Idaho has very limited economic development tools, and area cities such as Post Falls and Rathdrum are looking at the same issues and we need to lobby legislators that we need tools. Ignite board member Garcia explained that ignite could make the Atlas Site pencil in the beginning but were nervous about reimbursing the City over a 30-year period and now they are in a position wherein they can afford to look at options and are looking at how to proceed. Mr. Berns summarized that ignite was seeking feedback from the stakeholder group today regarding the Mt. Hink site and that what he heard is that attainable housing might not be best choice for the Mt. Hink site.

ADJOURNMENT:

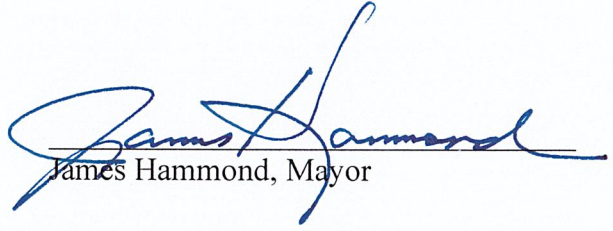
Motion by Evans, seconded by Miller that there being no further business of the **City Council**, this meeting is adjourned. **Motion carried.**

Motion by Messina, seconded by Luttrupp that there being no further business of the **Planning Commission**, this meeting is adjourned. **Motion carried.**

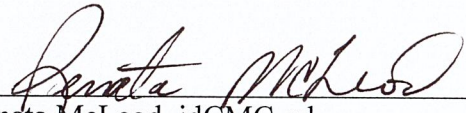
Motion by Hoskins, seconded by Garcia that there being no further business of the **ignite cda**, this meeting is adjourned. **Motion carried.**

The meeting adjourned at 1:33 p.m.

ATTEST:



James Hammond, Mayor



Renata McLeod, idCMC-ad
City Clerk