

MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT THE LIBRARY COMMUNITY ROOM

February 21, 2023

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene City Library Community Room on February 21, 2023, at 5:00 p.m., there being present the following members:

James Hammond, Mayor

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

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

INVOCATION: Pastor David Grotner of St. Luke's Episcopal Church led the invocation.

PLEDGE OF ALLEGIANCE: Councilmember Miller led the pledge of allegiance.

DECISION ON ANNEXATION AND ANNEXATION AND DEVELOPMENT AGREEMENT DEFERRED FROM THE MEETING HELD ON FEBRUARY 7, 2023: A-4-22-ANNEXATION OF +/- 440 ACRES FROM COUNTY AG SUBURBAN TO CITY R-3, R-8, R-17, C-17L, & C-17 (COMMONLY KNOWN AS COEUR TERRE) AND APPROVAL OF AN ANNEXATION AND DEVELOPMENT AGREEMENT. LOCATION: N. OF I-90, S. OF W. HANLEY AVE, E. OF HUETTER RD; APPLICANT: KOOTENAI COUNTY LAND COMPANY, LLC.

MOTION: Motion by Gookin, seconded by Woods, to deny without prejudice A-4-22 - +/- 440 Acres from County AG Suburban to City R-3, R-8, R-17, C-17L, & C-17 (Commonly Known as Coeur Terre). Location: N. of I-90, S. of W. Hanley Ave, E. of Huetter Rd; Applicant: Kootenai County Land Company, LLC and to develop the necessary Findings and Order which include Finding B-11 being incompatible with the existing neighborhood.

DISCUSSION: Councilmember Gookin said his motion was the same he had made two weeks ago and it was still valid. He said a massive amount of information had changed and by Idaho code it was required to have another hearing in order to hear from the public on the changes. City Attorney Randy Adams said if Council decided there was new or additional information brought forward, a new public hearing would be needed in order to allow the applicant and the public an opportunity to respond to the changes. He said due process did not require a new public hearing

every time a single piece of evidence was brought forward, explaining that the question was if there was a full and fair opportunity for the applicant and public to present their case. He noted there were no changes in the evidence, and Development Agreement (DA) changes would not require a new public hearing. Councilmember English noted the public hearing was closed and they had not received any new information requiring a new hearing; therefore, he would be voting against the motion. Councilmember McEvers said Council had asked staff to make the amendments and bring them back for Council consideration. Councilmember Gookin said Idaho code stated if material changes were made a new hearing was required and he felt the changes in zoning constituted a material change. He said the entire plan had been changed by adding R-3 zoning and the public hearing process should be followed allowing the public to make comments in regard to the changes. Councilmember Wood said she had concerns with the process, the development was the largest in which Council would be considering for decades, and she felt there was time to do it correctly while respecting the process and would like to see the process start over. Councilmember McEvers said the R-3 zoning was a down zone to less concentration, and it had been requested by the public. Councilmember Gookin reiterated the changes should go through the hearing process and the public should have an opportunity to give input. Councilmember Evans noted the legal advice provided by the City's attorney confirmed Council was not party to an illegal act and the correct process had been followed.

ROLL CALL: Miller Aye; McEvers No; Gookin Aye; English No; Wood Aye; Evans No, with Mayor Hammond Voting No. **Motion failed.**

STAFF REPORT: Community Planning Director Hilary Patterson said the Kootenai County Land Company, LLC, through their representative Connie Krueger, was requesting consideration of annexation for a +/-440-acre parcel in Kootenai County, currently zoned AG-Suburban, to be incorporated into city limits with a mix of zoning designations described within the February 7, 2023, staff report including: R-8, R-17, C-17L, and C-17, and the addition of the R-3 zoning designation. She noted the hearing on the application was heard before the Planning Commission on October 11, 2022; a request for zoning prior to annexation of +/- 440 acres from County Ag-Suburban to City R-8, R-17, C-17L, and C-17. The Planning Commission recommended the zoning in conjunction with annexation as presented in the public hearing. She said the City Council heard the annexation request, along with the Annexation and Development Agreement, on February 7, 2023. After hearing from the staff, applicant, and members of the public, the City Council voted 6 to 0 to defer the decision on A-4-22 to the February 21, 2023, meeting and directed staff to negotiate with the applicant/developer to revise the Annexation and Development Agreement to address their concerns. The Mayor and City Council members subsequently provided comments to City staff, to have negotiated with the applicant team, and directed staff to revise the agreement for consideration by City Council at the February 21, 2023, meeting. She said staff met internally to review Council comments and evaluate feasible revisions to the agreement and the applicant team willingly conceded to the Council requests which were consistent with the needs of the City's public safety and service departments. She went over the revisions to the DA which included adding a R-3 zone, limiting the maximum number of units to 2,800, adding a buffer zone, clarified street connections were limited to two (2), prohibit Hanley Avenue roundabouts, wastewater easements, RRFBs at school site crossings, Police Substation, added a Phasing Plan, use limitations were removed, restricting construction access through established neighborhoods, and added in provisions regarding the workforce housing, including affordability covenants. She noted

the east roadway connections were critical for public safety and street maintenance. Ms. Patterson reminded Council that the public hearing was closed and they were being asked to approve, deny, or deny without prejudice the requested annexation into the City, and that a separate motion was required for the Annexation and Development Agreement.

DISCUSSION: Mayor Hammond said he had hoped to see the street design move traffic towards Huetter Road and discourage traffic flow through the adjacent subdivisions to the east. Ms. Patterson responded that most of the issues could be addressed through traffic calming elements during phasing and the subdivision or PUD process. Councilmember English asked why Industrial Loop was not looked at as a roadway alternative, with Ms. Patterson responding that the zoning was incompatible. Councilmember English asked if the middle school to the north would be developed before the elementary school to the south, with Ms. Patterson confirming that was correct. Councilmember Gookin asked if the public hearing had been closed, with Mr. Adams responding Mayor Hammond had closed the public hearing at the February 7, 2023, Council meeting. Councilmember Gookin read Question 12 from the Idaho Open Meeting Law Manual provided by the Attorney General, and asked Mr. Adams for his interpretation of it, with Mr. Adams responding it was a Supreme Court decision and Council had to decide if new facts had been presented and were used to reach their decision. He said he was not aware of any new facts presented since the close of the hearing on February 7, and what was being discussed had been introduced at the previous meeting. Councilmember Wood said during the public hearing she had asked public safety for their input and how many roadway connections were needed, and Captain Walther of the Police Department had said their preference would be at every ½ mile point, yet they needed at least one (1) entrance. She said the information had changed and she wanted to protect the integrity of the process. Councilmember McEvers asked if there were any Phasing changes, with Ms. Patterson stating there were none, yet staff had added an exhibit in the agreement for clarification. Councilmember McEvers asked if the second phase could start before the first was completed, with Ms. Patterson responding they could, yet any changes to the phasing would require amending the DA and Council approval. Councilmember Evans asked if more specific language could be added to the DA, with Mr. Adams confirming it could, and Ms. Patterson explaining that Council could give direction to staff to add minor changes. Councilmember Miller asked for clarification on changing the DA, with Mr. Adams responding changes could be made as long as no new information was brought forward (approve with conditions). Councilmember English said he understood the intent to restrict road access from east to west but felt it was needed by public safety. Councilmember McEvers asked for clarification on modifying the DA, with Mr. Adams responding Council could direct staff to make modifications to the DA, which were discussed during the public hearing.

MOTION: Motion by Evans, seconded by McEvers, to approve without prejudice A-4-22 - +/- 440 Acres from County AG Suburban to City R-3, R-8, R-17, C-17L, & C-17 (Commonly Known as Coeur Terre). Location: North of I-90, South of West Hanley Ave, East of Huetter Rd. Applicant: Kootenai County Land Company, LLC, and to develop the necessary Findings and Order adding a modification to the Development Agreement with specific language encouraging traffic to move to the West.

DISCUSSION: Councilmember Wood said she was not in support of the motion to approve, there were process issues which needed to be considered, the decision should not be rushed, and there may not be trust in the process. She urged Council to postpone the decision. Councilmember Gookin said he was in agreement with Councilmember Wood, and there were legitimate concerns with the process. He didn't feel the process was fair to the public as they were not given an opportunity to provide feedback. Councilmember Miller clarified that her previous vote was in order to allow additional time for the process which she felt would be worth it. Councilmember McEvers said Council had requested the DA be changed and it appeared that a majority of the requests had been added to the DA. He said the current proposal had less of an impact to the surrounding neighborhoods than originally presented two weeks ago. Councilmember English said he had received a lot of public comment over the past few months, and he didn't feel anything substantially different would be accomplished by postponing the vote. Mayor Hammond noted a split vote was not ideal in moving a project forward and asked if a new public hearing could be limited to the modifications made to the DA (R-3, street design, egress, etc.). Mr. Adams explained due process required notice and a meaningful opportunity to be heard before the governing body and Council was allowed to limit the public hearing to new matters. Councilmember Gookin clarified the public hearing would follow the quasi-judicial process. Councilmember Wood said she would like the applicant to include the public input they had received when the item returned to Council. Councilmember Evans asked street design be included in the information for the next hearing. Mayor Hammond said creative design should include vehicular travel be encouraged towards Huetter Road.

MOTION WITHDRAWN: Councilmember Evans withdrew the motion with concurrence from Councilmember McEvers.

MOTION: Motion by Gookin, seconded by English, to re-open the public hearing at the earliest possible convenience to discuss the new developments in the Coeur Terre annexation. **Motion carried.**

PRESENTATION: OPIOID SETTLEMENT UPDATE – Kelsey Orlando, Substance Use Disorder Program Manager of Panhandle Health District gave an update on the status of the Opioid Settlement Funds. She thanked the City for reallocating their funds to the Health District. She said work had started six years ago, concerns had changed, and they were currently seeing fentanyl abuse. She said they worked closely with the public, schools, law enforcement, and those in the community in order to keep them safe from substances. She said they had a four pillared approach which consisted of Prevention, Harm Reduction, Treatment, and Recovery. Prevention was focused on a youth focus “Be the One” on training, mental health first aid, training, etc. Harm reduction efforts were focused on naloxone (Narcan) which was an opioid overdose prevention tool and they had partnered with the community to install 48 wall-mounted naloxone boxes where people could access Narcan in an emergency. The City's Parks and Recreation Department to place a lock box at the Woody McEvers Skate Park. Treatment efforts included hiring a psychosocial rehabilitation specialist who provides patient navigation and case management. Recovery efforts were focused on making opportunities available for those in recovery to share their stories and find peer support services. Mayor Hammond thanked Ms. Orlando for the presentation. Councilmember Gookin asked about the Narcan boxes and if training was needed to administer Narcan, with Ms. Orlando responding the public, community partners, and

professionals had received training, and there were free training opportunities available for groups and individuals. She mentioned Narcan was administered as a nasal spray, and there were no adverse effects even when given to someone not experiencing an overdose. She mentioned training registration was available on PHD's website and the manufacturer had training opportunities as well.

Mayor Hammond called for a recess at 6:27 p.m. The meeting resumed at 6:36 p.m.

ANNOUNCEMENTS:

Councilmember Wood said the Atlas Subcommittee was meeting for initial review of RFPs for areas 9, 16, 17, 18, and 19 on Friday. She noted she had previously requested the police captains updated MOU, and would like to see it on the next Council agenda. Councilmember Gookin said he would like a future agenda item to discuss the priorities for the funds the City had received in regard to the Lake District URD closure.

CONSENT CALENDAR: Being considered routine by the City Council, these items will be enacted by one motion unless requested by a Councilmember that one or more items be removed for later discussion.

1. Approval of Council Minutes for the February 7, 2023, Council Meeting.
2. Approval of General Services/Public Works Committee Minutes for the February 13, 2023, Meeting.
3. Approval of Bills as Submitted.
4. Approval of Financial Report.
5. Setting of General Services/Public Works Committee Meeting for Monday, February 27, 2023, at 12:00 noon.
6. Approval of a Cemetery Lot Repurchase from Angela Munson; Section FOR, Niche L.4; Forest Cemetery in the Amount of \$1900.00.
7. Approval of SS-22-03 – Looyenga Estates Final Plat; located at: 1420 N. 7th Street (southwest corner of the intersection of 7th Street and Linden Avenue)

RESOLUTION NO. 23-013- APPROVAL OF LEASE AGREEMENT WITH THE COEUR D'ALENE ARTS & CULTURE ALLIANCE FOR THE RIVERSTONE CONCERT SERIES AT THE RIVERSTONE AMPHITHEATER; LEASE AGREEMENT WITH KOEP CONCERTS FOR A SUMMER CONCERT SERIES AT CITY PARK; AGREEMENT WITH KOOTENAI COUNTY TO REMOVE TIMBER FOR FUEL MITIGATION AT THE CITY'S VETERANS CENTENNIAL PARK; APPROVE FUNDING IN THE AMOUNT OF \$22,000.00 FROM THE PUBLIC ART FUND – RIVER DISTRICT URD TO THE ARTS & CULTURAL ALLIANCE TO BE USED TO COMPLETE THE RIVERSTONE PARK AMPHITHEATER SHADE COVER PROJECT; ADDENDUM TO THE MASTER JOINT POWERS AGREEMENT WITH KCEMSS NEEDED TO STAFF THE NEW AMBULANCE (MEDIC 34); AMENDMENT NO. 2 TO THE AGREEMENT WITH THE FIREFIGHTERS LOCAL NO. 710, INTERNATIONAL ASSOCIATION OF FIREFIGHTERS (IAFF), ARTICLE 8 – STAFFING, NEEDED TO STAFF THE NEW AMBULANCE (MEDIC 34); AMENDING THE CITY OF COEUR D'ALENE PERSONNEL RULES: RULE 11: UNPAID LEAVE OF ABSENCE, AND RULE 27: FLSA EXEMPT EMPLOYEES; AND CONTRACT WITH HMH ENGINEERING FOR AN ALTA

SURVEY AND GEOTECHNICAL ENGINEERING FOR THE POLICE DEPARTMENT HEADQUARTERS REMODEL AND EXPANSION PROJECT.

DISCUSSION: Councilmember Gookin asked to pull item 8-G from Consent Calendar Resolution No. 23-013 for separate consideration at a future meeting: Personnel Rules: Rule 11: Unpaid Leave of Absence, and Rule 27: FLSA Exempt Employees. He noted one of the proposed changes to the Unpaid Leave Of Absence Policy removed Council from the process which he was concerned with. Mr. Tymesen noted if an employee requested to extend their unpaid leave, they would have to come to council to make the request and the change to the policy was intended to protect the privacy of employees and in respect to HIPPA laws. Councilmember Gookin asked if requests could be discussed by Council during Executive Session without mentioning the employees name and referring to them as Employee A during the discussion. Mr. Tymesen responded there were strict criteria for entering Executive Session and wasn't sure if it would fit the criteria to be discussed in that forum. Councilmember Gookin asked for the matter to be brought forward for further discussion at a later time.

MOTION: Motion by McEvers, seconded by Miller, to approve the Consent Calendar, including Resolution No. 23-013 as Amended, Removing Item G: Amending the City of Coeur d'Alene Personnel Rules: Rule 11: Unpaid Leave of Absence, and Rule 27: FLSA Exempt Employees.

ROLL CALL: English Aye; Wood Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin Aye.
Motion carried.

PUBLIC COMMENTS:

Jacquelyn Doyle, Coeur d'Alene, stated she had appealed the Design Review Commission's approval of the Garden Lofts project as the project didn't meet the requirements set forth in the FAR bonuses it had received. She noted FAR bonuses were not being applied equally to all projects.

Diana Sheridan, Coeur d'Alene, stated her comments were related to public comment on the Council agenda. She said in January there was an item in which the Police Department had purchased cameras and she would have liked public comment to be heard before the consent calendar in order to provide public comment on those items before they were approved.

Suzanne Knutson, Coeur d'Alene, thanked the Council members for paying attention to due process in relation to the Coeur Terre project.

Rob Knutson, Coeur d'Alene, read question 12 from the Attorney General's Open Meeting Law Manual.

Bridget Sundahl, Coeur d'Alene, thanked the Mayor and Council for their careful consideration of Coeur Terre. She mentioned the property had been recently staked and was wondering why work had already begun as she thought the area would be part of phase II of the project.

Katherine Hall, Coeur d'Alene, stated the process for Coeur Terre needed to include the public. She noted emergency access should be included as needed and felt it could be made via Hanley Road for Terre Coeur. She was concerned the development had already been staked. She urged Council to protect the Indian Meadows neighborhood.

Councilmember Gookin asked Police Chief White to explain the traffic camera purchase. Chief White said the cameras were purchased through a JAG grant and they have been in use for many years. They were license plate readers and have helped find missing persons, stolen vehicles, etc. Councilmember Gookin asked if someone wanted to find him could they use the cameras to do so, with Chief White stating a legitimate law enforcement purpose was required to access the data.

Councilmember Gookin asked Mr. Adams if he would make a presentation to council or provide training on due process. Mr. Adams noted he would schedule the training.

(QUASI-JUDICIAL) - ZC-2-22 - A PROPOSED DEVELOPMENT AGREEMENT FOR 1095 E. TIMBER LANE; APPLICANTS: RICHARD AND SUSAN BENNETT

STAFF REPORT: Senior Planner Sean Holm said Richard and Susan Bennett were requesting approval of a Development Agreement in conjunction with the approved zone change from R-3 to R-8 approved by City Council on January 7, 2023. He noted at the January 7, 2023, meeting Council approved the zone change request subject to the approval of a Development Agreement which would allow for one (1) single family dwelling and one (1) duplex on the subject property. Mr. Holm requested Council approve the Development Agreement for 1095 E. Timber Lane.

Mayor Hammond opened the public testimony portion of the hearing and hearing none, closed public testimony.

RESOLUTION NO. 23-014

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, APPROVING A DEVELOPMENT AGREEMENT WITH THE RICHARD AND SUSAN BENNETT LIVING TRUST FOR 1095 E. TIMBER LANE (ZC-2-22).

MOTION: Motion by Gookin, seconded by McEvers, to approve **Resolution No. 23-014;** approving the Annexation and Development Agreement for ZC-2-22.

ROLL CALL: Wood Aye; Evans Aye; Miller Aye; McEvers Aye; Gookin Aye; English Aye.
Motion carried.

(LEGISLATIVE) - O-1-23 - AMENDMENTS TO MUNICIPAL CODE CHAPTER 17.08, ARTICLE X, ENTITLED SHORT-TERM RENTALS; REPEALING M.C. § 17.08.1030(G) WHICH PROVIDES A PERMIT EXEMPTION FOR STRS RENTED FEWER THAN 14 DAYS IN A YEAR, AND AMENDING M.C. § 17.08.1050(B), TO PROVIDE THAT VIOLATIONS FOR OPERATING WITHOUT A PERMIT WILL HAVE CIVIL PENALTIES (SET BY RESOLUTION).

COUNCIL BILL NO. 23-1003

AN ORDINANCE PROVIDING FOR THE REPEAL OF SECTION 17.08.1030(G), ENTITLED “PERMIT REQUIRED” OF THE COEUR D’ALENE MUNICIPAL CODE AND THE AMENDMENT OF SECTION 17.08.1050, ENTITLED “VIOLATIONS; PENALTIES” OF THE COEUR D’ALENE MUNICIPAL CODE; PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THE ORDINANCE; AND PROVIDING FOR AN EFFECTIVE DATE THEREOF.

RESOLUTION NO. 23-016

A RESOLUTION OF THE CITY OF COEUR D’ALENE, KOOTENAI COUNTY, IDAHO, IMPLEMENTING A MORATORIUM ON THE ISSUANCE OF NEW SHORT TERM RENTAL PERMITS FOR A PERIOD NOT TO EXCEED ONE (1) YEAR, UNTIL MARCH 1, 2024, OR UNTIL COUNCIL MAKES A FINAL DECISION AS TO AMENDMENTS TO THE SHORT-TERM RENTAL CODE, WHICHEVER COMES FIRST.

STAFF REPORT: Renata McLeod, Municipal Services Director clarified the Municipal Code required a separate public hearing for the fees; therefore, the hearing would be specific to the request to adopt amendments to Chapter 17.08, Article X, of the Municipal Code, repealing M.C. § 17.08.1030(G), which provided a permit exemption for Short-Term Rentals rented fewer than 14-days in a year, and amending M.C. § 17.08.1050(B), providing violations for operating without a permit which would have civil penalties (set by Resolution) of \$1,000.00 for the first offense, \$2,000.00 for the second, and \$5,000.00 for the third. Ms. McLeod clarified that these penalties were for those refusing to become licensed and were not in place of the \$100.00 fine for other items such as noise. The amendments were specific to those without current permits. Additionally, staff was seeking direction for the March 1 renewal date, and recommended allowing only renewals for existing permits, with no issuance of new permits while data from Granicus was obtained and analyzed. The Committee would continue to work on further code amendments, with stakeholder input. Idaho Code allows local governments to implement reasonable regulations in order to protect the integrity of residential neighborhoods. She said the City had adopted regulations on December 5, 2017, noting that the Code would need to be revisited after some time to see if amendments were needed. Since that time, City staff had been tasked to research and recommend amendments to the Short-Term Rental Code and the City had hired Granicus, Inc., to conduct research, assist with monitoring and enforcement throughout the year, and operate a 24/7 complaint hotline. She mentioned the desired data points had not yet been provided to the City by Granicus, and the March 1, 2023, renewal deadline was fast approaching. She said the City had held a Joint City Council/Planning Commission meeting and established an internal Ad Hoc Committee to discuss how to proceed. The group included staff, three (3) Planning Commission members, and three (3) City Council representatives, which agreed that any substantial changes should come forward after the research and data points had been received from Granicus. She said as of February 6, 2023, the City had issued 558 STR permits (with 105 permits being issued in the last 3 months) and expected the demand for additional short-term rental permits to grow in future years. Therefore, the Ad Hoc Committee made the following recommendations: Repeal the 14-day exemption, and increase penalties for non-permitted STR’s; Current licenses as of February

21, 2023, may be renewed for one (1) year; Fee increases for renewals to \$180.00 to cover staff costs and the Granicus contract; Enactment of a pause on new permits effective February 21, 2023, until Granicus data was received and analyzed, stakeholder meetings were held, and new/amended code sections were developed to protect the integrity of residential neighborhoods. She said Council had not yet determined if a maximum number of permits would be issued or how future permits would be reviewed or renewed and if changes were required a separate hearing would be scheduled. She reiterated that in order to provide clarity with respect to the March 1, 2023, renewal deadline, staff was seeking approval to allow renewal of current permits and to pause the issuance of new permits so that no new permits would be issued after February 21, 2023, until adoption of further amendments or direction from Council was received. She noted pausing permits would allow staff and the Ad Hoc Internal Committee time to receive and analyze data from Granicus, identify any areas of the City (such as specific neighborhoods/blocks) that may be saturated with short-term rentals, and collect information from the 24/7 hotline to better understand neighborhood impacts. She said if new permits were issued prior to analyzing the data from Granicus, there could be increased impacts on neighborhoods, especially in saturated areas. She noted pausing new permits through a moratorium and allowing only renewals in 2023 would help provide time to analyze the impacts, and work with stakeholder groups and the Ad Hoc Committee to develop further code amendments. She said the pause was necessary in order to protect neighborhood integrity because the actual number of short-term rentals operating in the City could be upwards of 1,200 units. The current permits have saturated some of the neighborhoods and residential blocks and the impacts of short-term rentals needed to be evaluated further with the Granicus data and results of the 24/7 hotline to understand the full impact to neighborhoods. Additionally, it was staff's desire to begin stakeholder meetings after the Granicus data was mapped, work on developing further proposed code amendments within six months, and give permit holders another six months to know how any new codes may affect them at the renewal timeline of March 2024. She said Idaho Code allowed reasonable regulations in order to protect the integrity of residential neighborhoods, and many states had implemented standards, such as a total cap on permits, spacing requirements, or percentage caps in areas/neighborhoods/blocks that have experienced saturation resulting in a loss of neighborhood integrity. She noted many communities and states across the U.S. and world were modifying their original ordinances with reasonable regulations that better protected neighborhood integrity.

DISCUSSION: Councilmember Wood asked about the permits in the queue as she thought they had been paused, with Ms. McLeod responding they had been accepting new permit applications, and the renewals had been paused. Ms. McLeod explained the Mayor and Ad Hoc Committee had made the recommendation to pause the renewal process until issues could be discussed by Council. Councilmember Wood clarified the full Council had not made the decision to pause renewals. Councilmember Gookin asked if the new violations would be enforced, with Ms. McLeod responding it would be up to Council to provide that direction as in the past they had requested a light touch in regard to enforcement. Councilmember English asked Mr. Adams if the City had the authority to extend the renewal process as-is for approximately three (3) months and noted he was not sure of the new penalties, with Mr. Adams responding Council had the authority to extend the time period for renewals, yet it was not an agenda item therefore they could not make the change at this time. Councilmember Wood said she would like to see the Granicus data and like-size resort city requirements before adding the new penalty fees. She noted current violations were \$100, and the new penalty fees were excessive. She would also like additional opportunities for

public input. Councilmember Gookin said he also had issues with the process and would like to give the community an opportunity to provide input. He noted there were issues in some of the neighborhoods with too many STRs, and would like to find balance on both sides of the issue. He noted that moving forward new regulations would be enacted, and if no moratorium was issued there may be a risk of some not being permitted in future years. Mayor Hammond said it was important to present proposals to the public and that is what the internal Ad Hoc Committee along with previous public input had accomplished. Councilmember McEvers mentioned STR bookings were being made right now for the summer.

Mayor Hammond opened the public testimony portion of the hearing.

PUBLIC TESTIMONY:

Stacey Armstrong, Dalton Gardens, stated she was opposed to the proposed amendments to the Municipal Code in relation to short-term rentals. She was also opposed to the moratorium on STRs.

David Wallace, Coeur d'Alene, spoke in opposition of the STR proposals.

Lisa Peters, Coeur d'Alene, read from a letter which had been sent to Council via email from an attorney representing the Coeur d'Alene Vacation Rental Alliance.

Dusty Hamrick, Coeur d'Alene, stated he was confused with the discussion and wondered what the issue was. He mentioned his STR was permitted, safe, and well kept.

Susan Hooks, Coeur d'Alene, stated not all STRs were created equal and her unit had been licensed since 2019, and since it didn't have a kitchen nor laundry it could not be converted to a long-term rental. She asked how property and what criteria was being used to make changes.

Chelsea Martin, Coeur d'Alene, stated she had been in the area since 2020. She noted she had a long-term and STR rental, and would like to keep the 14-day exemption option of renting her own home during Ironman.

Josh Suhr, stated he was opposed to any new regulations or a moratorium on STRs at this time. He would like Council to take a collaborate effort in crafting rules for STRs.

Melissa Radford, CDA Vacation Rental Alliance, continued reading from a letter sent to Council from their attorney.

Jacklyn Doyle, Coeur d'Alene, stated she had a STR and has been permitted. She said the Airbnb model was intended for homeowners to rent out their homes and the investors who were purchasing multiple units were a different model. She noted changes were warranted yet it was a complicated issue.

Jan Marie, Coeur d'Alene, thanked Council for their work on the STR issues. She noted she had a STR which was owner occupied and was in favor of the moratorium. She noted there four (4)

on her block with many more coming. She would like to see a cap per block and was in support of owner-occupied and inspection of units.

Katie Reok, Coeur d'Alene, noted she owned two (2) STRs and they were a part of her retirement plan.

Heather Crawford, Coeur d'Alene, stated she was part of the CDA Vacation Rental Alliance, and had recently purchased a home in downtown Coeur d'Alene. She asked Council to do their due diligence and enforce current regulations.

Daren Miller, Coeur d'Alene, provided Council pictures of long-term rentals and STRs for comparison. He said he would like the focus to be on non-compliant properties.

Heath Wiltse, Coeur d'Alene, stated he had been in his neighborhood for twenty years. He noted he owned a STRs and it along with others in his neighborhood were all well maintained.

Holly Hansen, stated she would like Council to look at STRs from a business standpoint and allow the permit to go with the home when sold.

David Hoekendorf, Coeur d'Alene, said if Council enacted a moratorium on STRs they would be violating Idaho State Code. He asked the Council to vote no on the items.

Kara Claridge, Coeur d'Alene, stated she was in opposition of the proposed changes to STRs. She noted she rented her home out as a STR with positive results.

David Stoltz, Coeur d'Alene, stated he had a STR and a long-term rental, and was opposed to any restrictions in relation to STRs. He said the process was confusing and not well thought out.

John Trembel, Coeur d'Alene, stated he was a STR owner and people with STRs kept them in great condition as compared with long-term rentals.

Jeff Crowe, Coeur d'Alene, stated in regard to property rights, there were obligations to maintain neighborhoods which included zoning regulations. He noted he bought his house to live in a neighborhood not in a transient community. He urged Council to protect residential neighborhoods and noted that there is no fee too excessive.

Michael Stavish, said he appreciated Council's deliberation on the previous item and was not in support of hiring Granicus.

Mayor Hammond closed the public testimony portion of the hearing.

DISCUSSION: Councilmember Gookin said the issue was balance, and many people who provided comments to Council were displeased with STRs in their neighborhood. He would like to fully review the Granicus data, agreed STRs were not all created equal, property rights of STR owners and neighborhoods were competing, and affordable housing remained an issue. He noted STRs were commercial investments and it was important to preserve the integrity of established

neighborhoods. Councilmember Miller said she had been working with the Regional Housing and Growth Issues Partnership (RHGIP) which had gathered a lot of data on the issues, was involved in Home Share Kootenai County, and owned a permitted STR, therefore, she had a potential conflict of interest and would recuse herself from voting on the item. Councilmember English noted Granicus data was not yet available; therefore, he would not be voting for the STR moratorium. He noted vacation rentals had been done for many years before STRs came to be, and he was in support of the 14-day exemption. He said consideration should be shown to owner-occupied and long-term permit holders. Mayor Hammond noted he heard a lot about property rights during public testimony and in the past when buying a R-1 zoned home you knew you were in a single-family neighborhood. He said the reason for the current discussion was due to the number of homes in single family neighborhoods being used as commercial businesses. He said it was not plausible to expect that everyone could have an unlimited number of STRs in the community. Councilmember Evans noted they were trying to strike a balance and there wasn't an easy solution. She said conversations were needed, as well as compromise, in order to protect the integrity of the neighborhoods. Councilmember Wood said she needed more time to review and consider changes to the code. She noted she knew of people who utilized the 14-day exemption, and would like to study the data before making the tough decisions. She suggested Council take no action at this time. Councilmember Gookin said he would like staff to continue gathering data. Councilmember English said when the process started many properties were bought as investments, the housing environment was different now, and he would like to allow permits for another year before making any changes. Councilmember McEvers asked if they could amend the Council bill to leave the 14-day exemption in place. Councilmember Miller clarified the 14-day exemption was intended for the time during the Ironman race. She said the current language allowed 14 calendar days per year which made it problematic for staff to manage as it could be used any time of the year.

MOTION: Motion by Gookin, Seconded by McEvers, to forestall a decision on Council Bill No. 23-1003 and Resolution No. 23-016.

ROLL CALL: Evans Aye; Miller recused; McEvers Aye; Gookin Aye; English Aye; Wood Aye.
Motion carried.

(LEGISLATIVE) - FEE HEARING - FEE ADJUSTMENTS FOR THE PARKS AND RECREATION, PLANNING, AND WATER DEPARTMENTS.

RESOLUTION NO. 23-015

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, ESTABLISHING AND AMENDING CERTAIN CITY FEES AND CIVIL PENALTIES PURSUANT TO IDAHO CODE §§ 63-1311 AND 63-1311A.

STAFF REPORT: Renata McLeod, Municipal Services Director requested Council approve fee amendments and civil penalties as proposed within the Parks and Recreation, Planning, and Water Departments. She noted the City was required to hold a public hearing for proposed fee increases in excess of five percent (5%) pursuant to Idaho Code 63-1311A. She said some of the fees listed were increasing less than 5%, were listed for clarification, or were removed entirely; therefore,

were not required to be included in the public hearing; however, it was staff's desire to keep all changes together for ease of tracking. She mentioned the civil penalties for operating without an STR permit were not "fees" subject to the 5% rule, but were required to be adopted by Resolution of the Council, and therefore, had been included in the proposed Resolution. She said since the penalties were not approved in the previous Council action regarding Council Bill No. 23-1003, they were no longer included in the fee resolution. She said the Parks and Recreation Department had experienced an increase in costs related to staffing, equipment repair/maintenance and recreational program t-shirt costs. She noted for clarification, the change in fee for gazebos and pavilions was due to the department changing the rental from two times per day to once per day. She said the Planning Department fee for a Short-Term Rental permit renewal should be increased to cover the cost associated with the use of a host compliance agency which included the following three (3) modules: property owner identification; compliance monitoring, and hosting a 24/7 hotline. The Water Department's proposed fees were related to water hookup fees amended during the December 2023, meeting. She said unfortunately, an error had occurred and the 1" or less line connection fee was removed in its entirety, and the 2" or less line fee was reverted to an amount in a prior fee schedule. Therefore, the request was to clear up an error made in December 2023. Ms. McLeod requested Council approve the fee amendments as proposed within the Parks and Recreation, Planning, and Water Departments.

Mayor Hammond opened the public testimony portion of the hearing.

PUBLIC TESTIMONY:

David Wallace, Coeur d'Alene, said the fee increase should not apply to STR renewals.

Jan Leaf, Coeur d'Alene, stated STR owners only had 7-days left to renew their permits and asked that Council make their decision tonight.

Michael Stavish, said he was fine with the STR fee increase, if warranted, and asked if Granicus was no longer used in the future would fees be reduced?

David Stoltz, stated if fees were being increased due to the cost of hiring Granicus, fees for legal STR owners should remain the same and the increase should be borne by illegal rentals.

Mayor Hammond closed the public testimony portion of the hearing.

DISCUSSION: Councilmember Gookin asked what would be involved to increase the timeline for STR renewals. Councilmember English said the cost of the fee was based on the cost of the service and should not be increased for the upcoming renewal period. Councilmember Wood asked when permit renewals had been paused, with Ms. McLeod responding January 19, 2023. Councilmember Wood said she would like to extend the renewal period for 30 days, didn't feel the fee was onerous nor excessive, and Granicus would help with compliance. Councilmember Miller asked for clarification on the methodology of how the STR fee was calculated, with Ms. McLeod responding the fee was based on staff time for processing permits, number of permits at the time (approximately 489), cost of the Granicus contract, and was divided amongst the number of permits accordingly. Councilmember Wood asked for clarification if the STR fines were

included in the motion and asked the motion maker to amend their motion to remove them. Mr. Adams explained they were civil penalties, not part of the fee resolution, and Council had already denied them during the discussion of amending the Municipal Code by Council Bill No. 23-1003. Councilmember Gookin asked about implementing a 30-day grace period, with Mr. Adams responding a motion could be made to increase the time to renew to a certain date. Councilmember Miller stated she appreciated the Parks & Recreation Department for reviewing the public comments they had received which were related to their fees.

MOTION: Motion by Evans, seconded by McEvers, to approve **Resolution No. 23-015**; approving fees for the Parks and Recreation, Planning, and Water Departments.

ROLL CALL: Miller recused; McEvers Aye; Gookin Aye; English Aye; Wood Aye; Evans Aye.
Motion carried.

MOTION: Motion by Gookin, seconded by Wood, to direct staff to Implement a 30-day grace period for those filing their STR renewals and needed extra time to pay permit fees. **Motion carried.**

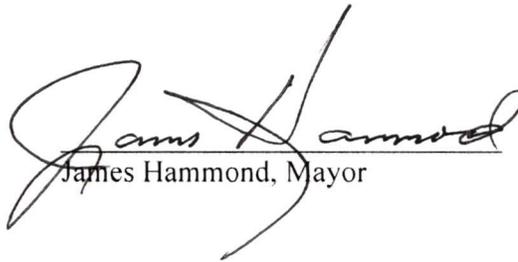
ADJOURNMENT: Motion by Gookin, seconded by McEvers, that there being no other business this meeting be adjourned. **Motion carried.**

The meeting adjourned at 9:37 p.m.

ATTEST:



Sherrie L. Badertscher
Executive Assistant


James Hammond, Mayor