

**MINUTES OF A REGULAR MEETING OF THE CITY
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,
HELD AT COEUR D'ALENE CITY HALL
June 19, 2018**

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, June 19, 2018 at 6:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

Woody McEvers) Members of Council Present
Loren Ron Edinger)
Dan English)
Kiki Miller)
Dan Gookin)
Amy Evans)

CALL TO ORDER: The meeting was called to order by Mayor Widmyer.

INVOCATION was provided by Pastor Steve Massey, Hayden Bible Church.

PLEDGE OF ALLEGIANCE: Councilmember McEvers led the Pledge of Allegiance.

Mayor Widmyer noted that the Atlas Waterfront Update will be a presentation only, and that Council will not be taking any action on it this evening.

PRESENTATION: Atlas Waterfront Update. Phil Boyd, Welch Comer Engineers, updated the Council on the Atlas Waterfront project. He noted that the steering committee for the project is composed of City Council members, the Mayor, city staff, and ignite cda Board members. The steering committee met last week and he was asked to provide an update to council.

Mr. Boyd reviewed the site concept, featuring interior water and public open space. He noted that the active fields have changed to a natural park, which was one of the things that they heard from the workshops and public meetings that were conducted. The real estate advisors recommended neighborhood retail space. The site concept provides for nearly 4,000 feet of waterfront. In order to pay for the property and development, he noted that development must achieve a little higher density. Mr. Boyd also reviewed the project phasing criteria, which includes minimizing infrastructure requirements, improving the public waterfront area, recognizing market absorption, and recognizing long-term site construction impacts. He said that the level of development in the public space will not be as intensely developed because of capital requirements in the first phase. It will be "clean and green," and will include a paved trail, a gravel trail for pedestrians, will be landscaped and irrigated, and then over time as other funding

becomes available, the City can add amenities to the property. Mr. Boyd noted that the entire waterfront is in Phase 1 of the project, and that it has good ingress and egress.

Councilmember McEvers asked where the accessibility to the trail was along the river. Mr. Boyd said that it is located off of Suzanne Street and as part of Phase 1, Suzanne Street will be extended into the parking lot and construct the parking lot into the park.

Mr. Boyd reviewed the additional phases. Phase 4 has subgrade remediation, which is expensive and reiterated that the financial plan is what drives the phasing scenario.

Councilmember Gookin asked for clarification regarding the level of funding for the first phase of the waterfront development. Mr. Boyd said that initially the waterfront would be developed to a level that they can afford, i.e., what capital is available out of the urban renewal district. He noted that Council can look at the base development and amenities and consider other ways to fund them, i.e., General Obligation Bond, or other funding availability. He said that their direction was to develop a project that can be phased and implemented with the available funding.

Mr. Boyd discussed shoreline stabilization and noted that there is a fair amount of erosion. One of their primary objectives is to deal with erosion to stop losing “real estate” and discharging sediment into the Spokane River. They are developing concepts right now and have budgeted about \$1.4 million for stabilization. He also noted that there are grant funding opportunities available. Additionally, Mr. Boyd said that as part of the phasing plan, they also have to consider how the urban renewal district (URD) may be formed. He noted that this is a project update only and that there is a formal process for the formation of a URD, including obtaining approval by the ignite cda Board, presentation and approval to the Planning and Zoning Commission, and approval by the City Council. The URD objectives are to consider the URD life and current financial capacity, consider future valuation, and to follow URD expansion/creation rules. Mr. Boyd reviewed the proposed URD map, and the expansion of the River and Lake districts. The Atlas URD would be a new district with future increment and a longer-life than the River or Lake Districts. He noted that the Lake District has the shortest life.

Councilmember McEvers asked how much time is left on the River District. Mr. Boyd said that the River District sunsets in 2026, and the Lake District sunsets in 2021. He commented that the Lake District has the money to do a portion of the infrastructure along the river, and that the idea on public improvements is (1) the council has made the commitment to reserve that space for public enjoyment and make it available for the public to use in a nice state, and (2) as a potential occupant of that subdivision, one would want to go there and say, “the park is there, I will buy a lot there.” Mr. Boyd noted that none of the proposed URDs are currently in the City. He also commented that districts can loan money to other districts, with some restrictions. They are working through the details with the ignite cda Board.

Councilmember McEvers commented that he doesn't remember Riverstone having a big conceptual plan. Mr. Boyd said that it is up to the Council and noted that they want the

market to drive the plan and so the opportunity for that to occur is if the URDs are formed. A conceptual plan is fine as long as you are not damaging future phases.

Councilmember Gookin asked if the map shows the entire Atlas URD. Mr. Boyd said not necessarily as it could go west of that area and the Douglas property could be included in it. Councilmember Gookin said that he does want to see a plan and wants to see metrics for success, milestones, etc. He also has a concern about the thin “strip of green” that is below the two districts, and commented that a “shoestring” is expressly forbidden in the code. Mr. Boyd said that there was some criteria used for evaluation and the ignite cda Board does not think that it fits the criteria of a “shoestring.”

Mayor Widmyer asked Mr. Boyd to outline the process going forward. Mr. Boyd explained that they are presenting to Council tonight and seeking feedback, and will present to the ignite cda Board tomorrow, then will go back and develop the pro forma and put the development implementation plan together with cost estimates, infrastructure concept maps, etc. that are needed should the urban renewal agency decide to implement the URD process. He thinks that it is ignite’s objective to finish something before September or October, and then they will be back to the council for the public hearing process.

Councilmember McEvers asked if there was another pathway besides a URD. Mr. Boyd said that they will provide the Council with the content to make that decision. They are estimating the initial phase of the public space and will develop that in a way that will fit the available capital that they believe is available. They will itemize the expense of all of the other improvements and Council will have a number to look at. Council may decide to go with a General Obligation Bond or other sources of funding. He will produce the final report in July or August.

Councilmember Miller confirmed that the expanded portion of the Lake District will sunset at the same time as the Lake District. The idea is to build it so that the public can utilize it now with the forethought that there could be things added, or not. There will be more opportunity for public input when those numbers are put together.

CONSENT CALENDAR: Motion by McEvers, seconded by Evans, to approve the Consent Calendar.

1. Approval of Council Meeting minutes for the June 5, 2018 Council Meeting.
2. Approval of Bills as Submitted.
3. Approval of the Public Works Committee and General Services Committee Meeting minutes from the meetings held on June 11, 2019.
4. Approval of the Financial Report
5. Setting of General Services and Public Works Committee meetings for June 25, 2018 at 12:00 noon and 4:00 p.m., respectively.
6. Approval of Outdoor Eating Facility Application for “Ten/6,” 726 N. 4th Street
7. Setting of public hearing for ZC-2-18: Applicant: Lake City Engineering; Proposed Zone Change from R-3 to C-17, 1820 W. Prairie and 7845 N. Ramsey Road, for July 17, 2018.

8. Resolution No. 18-034

- a. Approval of Changes and Additions to City's Classification and Compensation Plan
- b. Approval of Lease of City-Owned Parking Lots to the Coeur d'Alene Chamber of Commerce on the 4th of July
- c. Approval of School Resource Officer Contract for School Year 2018-2019 with School District No. 217
- d. Approval of Sale of City Property at 601 W. Neider Avenue to Habitat for Humanity of North Idaho
- e. Acceptance of bid and approval of contract with Poe Asphalt & Paving for the 2018 Chip Seal Project
- f. Approval of Change Order No. 1 for 2018 Cured-in-Place Pipe (CIPP) Project with Insituform Technologies, LLC

ROLL CALL: Evans, Aye; English, Aye; Edinger, Aye; Miller, Aye; McEvers, Aye; Gookin, Aye. **Motion carried.**

PUBLIC COMMENTS:

Susie Snedaker, Coeur d'Alene, expressed outrage and that the eligibility report proposal was on tonight's agenda. She feels blindsided and can't recall reading anything about it previously. She commented that the map includes a tremendous amount of property, all of which was developed years ago without a lot of thought. She doesn't think that it is the responsibility of taxpayers, via a URD, to pay for any type of improvements or design criteria. She noted that the hospital has been adding for years, but doesn't see why citizens are responsible for ultimately paying for improvements and planning for that area, as she believes it should have been done a long time ago. She commented that urban renewal is based on blight and there is no blight in the hospital area. Ms. Snedaker commented that this is a huge chunk of property and she was thinking that when the Lake District expired, all the people in the taxing districts in Kootenai County would have some relief on their taxes and maybe some of the agencies would be able to amend their budgets accordingly. When she thinks of the amount of money generated for this area, it seems to her that it will put a tremendous burden on the taxpayers. She asked the Council to think about that before they approve anything, and that they should identify the exact amount of income coming off of it.

Sharon Bosley, Coeur d'Alene, noted that she is representing Kootenai Environmental Alliance (KEA), and that KEA understands that the recycling industry has impacted the world with actions that have taken place in China. She noted that many cities throughout the country are struggling with the same issue, but KEA cannot advocate for a reduction in the types of materials being recycled. KEA wants to work with the City to improve overall sustainability for the community and insure that all options have been explored before they go against their vision for Coeur d'Alene. She asked how KEA can be assured that those materials that are sent overseas are recycled. If there is a modification to the contract to reduce the types of recyclables allowed, KEA has several concerns they would like to have addressed before the contract is changed. They would like a

timeframe included to allow for expansion of the recyclable list, and to know who would be in charge of changing the recyclable list, and to know the plan to get the changes to the recyclables disseminated to the community, as well as, to know how long the City plans to incur the increased cost of \$17,000 per month as this is taxpayer money. They also want clarification of the City paying disposal costs in excess of \$10 per ton. She noted that they are glad to know that Coeur d'Alene Garbage has been a good partner with the City, but asked that the City consider all of the options before taking any action in regard to recycling.

Councilmember Gookin said that he appreciates the KEA and asked if they have any documentation where there are actually things still being recycled. Ms. Bosley said that across the country this is a problem, and she understands that this is a concern for every community. She noted that they do have a MRF facility in our region that actually sells most of their recyclables domestically, although it is at a higher cost. For uncontaminated recyclables it could cost up to \$126 per ton, and for contaminated up to \$176 per ton, but they do recycle 95% - 98% of their recyclables and they are sold domestically, with 75% of that staying in the region. Ms. Bosley noted that they have a unique opportunity, although it is costly, and they advocate for trying to keep the recyclables that they have been able to recycle in the contract. Councilmember Gookin asked what the difference is between something being sold or something being recycled. Ms. Bosley said that they are being sold to entities that recycle. Councilmember Gookin said that he would really like the KEA to help with contamination and asked Ms. Bosley to explain contamination to the public and how we can make an effort as a community to make our recyclables more valuable. Ms. Bosley said that it is a matter of what you put in your recyclables and it has been a problem since going to single stream recycling. A lot of people throw in things that are not usable. Some things that aren't recyclable include paper coffee cups, pizza boxes, etc. Additionally, rinsing out yogurt cups is something that should be done. The biggest problem with China is that they have reduced the amount of contamination that they will accept and so we need to be better about what we put in our recycle bin.

Suzanne Marshall, Coeur d'Alene, said that she works with Sharon Bosley and noted that recycling is important to KEA and to her, individually. She has done a lot of research and noted that human beings are to blame because nobody in the country cleans their recycling properly. They have been trying to educate people how to do that, and would be glad to help provide continued education. Her concern is that Coeur d'Alene Garbage should continue to take plastics as contracted when they find sources to do it. There are ways to do this and companies that go under contract should try their best to do their job. The reason that plastics are a concern is that of the 6.3 billion tons of plastics produced up to 2015, only 9% have been recycled. Plastics can take up to 400 years to break down, and then can become microplastics that get in the ocean and fish eat them. They are also associated with harmful health effects on humans. Ms. Marshall said that country needs to quit using plastics.

Lloyd Stewart, Coeur d'Alene, said that in regards to the Atlas project, nothing is mentioned in the presentations that the current Centennial Trail in Riverstone Park is

going to be turned into a two lane road. He commented that it will be totally decimating to the handicapped population and will take away their ability to use that flat, straight piece of road. He noted that he lives in the Riverstone community and that they purposefully moved there and had a wheelchair-accessible house built because they knew they were going to be on the Centennial Trail. Mr. Stewart said that he sees up to 10 wheelchairs a day on that stretch of trail, and also sees people with walkers and canes and people taking their companion and/or service dogs down to the dog park where they can exercise. People in wheelchairs cannot get their dogs across a two-lane road and down an incline to the proposed dog waterpark. He also commented that mothers with strollers trying to get from the apartment buildings to the park will not be able to because of the road. Mr. Stewart said that the City would be taking a very large section of the population, about 10% who have disabilities, and cutting them off from access to a trail. He also commented that they were sold the houses in Riverstone as having direct trail access. He went directly to the City after they moved in and went through five departments and paid for a permit. Five different department heads, including legal, gave him direct access from his patio to the trail. He feels that this needs to be looked at further and is sure that there are other access points and that you don't need to put a road past Riverstone Park and destroy the park. Mr. Stewart said that wedding parties also use the river and the trail as a backdrop for photos, which won't happen anymore. He feels that it is a great disservice to an immense amount of people in Coeur d'Alene.

Mayor Widmyer commented that the Atlas presentation isn't a plan, but is just a concept that was thrown out there. None of the Council has weighed in on it. It was simply an idea that was drawn on a map and no decisions have been made and noted that he appreciates Mr. Stewart's feedback.

Randy Colbert, Coeur d'Alene, thanked the Council for their service and dedication. He noted that he sees Mr. Stewart at the park daily, and suggested giving the Atlas Waterfront project a real name – to personalize it now so that it guides the thought process of how it goes together. He encouraged the Council to integrate Riverstone to the park and Douglas properties and noted that it is a spectacular piece of property.

Kirk Katzer, Coeur d'Alene, said that he is a resident of Riverstone and is concerned about how conceptual plans become reality and the inconsistencies between what was presented to Riviera Walk homeowners and the plans presented to the public. He commented that he represents many owners and users who object to replacing the Centennial Trail with a road. They see it turning into an extremely busy collector road, and asked about doing a traffic study. In regard to safety, the Centennial Trail alignment would force trail users to cross two busy roads on a grade. Currently there are no road crossings on this portion of the trail. A busy road would require park users to cross a road to access the trail. Riverstone residents would no longer have direct access to the trail from their homes or apartments which would result in loss of enjoyment and property value. The homes in Riviera Walk were marketed as having private access to the trail. Mr. Katzer said that they support the promotion of healthy lifestyles by connecting neighborhoods with trails.

COUNCILMEMBER ANNOUNCEMENTS:

Councilmember Miller said that she will be attending the Association of Idaho Cities Annual Conference tomorrow. She asked Council to let her know if there is anything that they want her to attend and come back and share.

REQUEST FOR TEMPORARY RATE INCREASE, CHANGES TO THE ACCEPTABLE MATERIAL LIST, AND MODIFICATION OF CONTRACT IN REGARD TO COLLECTION PROCEDURES FOR NORTHERN STATE PAK, LLC, d/b/a COEUR D'ALENE GARBAGE SERVICE.

STAFF REPORT: Troy Tymesen, City Administrator, said that the City has spent time with KEA on this issue. Mr. Damiano, of Coeur d'Alene Garbage Service, included in the Council's packet a comprehensive look at what is going on in the world of recycling. Mr. Tymesen said that this is not just a local challenge, and noted that the City has an opportunity to open up the contract with Coeur d'Alene Garbage in conjunction with KEA and constituents to look for solutions to the ongoing cost. In addition, Mr. Tymesen said that he would like to educate folks about clean recyclables and noted that unclean recycling is basically worthless. The glass recycling is also not a perfect process. He noted that the City, in conjunction with Coeur d'Alene Garbage, acquired a glass crusher. When they crushed the glass that came out of the glass depot bins, the City wasn't able to use that material as structural fill for the Seltice Way bus stops which they had hoped to do.

Mr. Tymesen said that on April 19, 2016, Council approved the Solid Waste Services Contract (hereinafter "Contract") with Northern State PAK, LLC, d/b/a Coeur d'Alene Garbage Services (hereinafter "CDA Garbage"). The contract was effective July 1, 2016, and CDA Garbage has fully performed in accordance with terms and conditions of the contract since then. This contract provided for the collection of solid waste and single stream recycling materials, and included a glass reuse/recycle program. In May 2018, CDA Garbage requested an increase in compensation for single stream recycling and a modification in the type of recycling which must be accepted under the contract. The estimated additional cost to the City would be approximately \$17,000 per month. However, due to savings experienced with respect to the current contract, the cost will not result in any rate increase to the customers. Mr. Tymesen noted that the City has not had any rate increases in two years.

Mr. Tymesen said that it is undisputed that significant changes have occurred in this industry. In late 2017, China, the world's largest consumer of recycled materials, began to limit the quantity of recycled material it purchased. Beginning on January 1, 2018, China banned twenty-four types of foreign recyclables, including mixed paper, low-grade plastics, certain metals, and waste textiles. An additional thirty-two items will be banned beginning later this year and in 2019. The estimated value of the banned materials comes to at least \$400 million per year nationwide. Also in early 2018, China drastically reduced the contamination limit for recycled materials it would accept from 12-15% to

0.5%. The costs have been borne by Coeur d'Alene Garbage, which have resulted in about an 1,100% increase in recycling for one year.

Mr. Tymesen said that going to single stream recycling has not assisted this industry. It is easier for the consumer, but they are now putting contamination into the recycling program, which is costing money.

Amendments to the contract are specifically allowed pursuant to paragraph 5.3 of the Base Contract: "No amendment shall be construed to release either party from any obligation of the Contract except as specifically provided for in such amendment. All amendments shall be in writing, signed by both parties thereto." In addition, paragraph 5.8 of the Base Contract requires both parties "to use their best efforts and diligence in mutual good faith to promote the best interests of City." Staff recommends that paragraph 4.3 of the Base Contract be amended to add a paragraph stating that CDA Garbage will be responsible for the entire cost of hauling recyclables plus the first \$10 per ton charged for disposal by one of the vendors identified in paragraph 3.6 of Schedule B to the Base Contract. The City will pay the disposal costs in excess of \$10 per ton. Staff further recommends that paragraph 3.3 of Schedule B to the Base Contract be modified to implement a more effective tagging program when a customer includes non-recyclables in the recycling bin. As part of the new program, customers will be provided a more comprehensive notice which will direct them to call the City or visit the City's website for information on what is recyclable and what is not, and they will be provided the option to remove the non-recyclables from the bin and either call for a special pickup (at the customer's cost), or wait for the next regular pick-up date. In addition, due to the volatility of the recycling industry, staff recommends that the following language be added to the definition of "Recyclable Materials" in paragraph 1 of Schedule B to the Base Contract: "The list of recyclable materials is subject to change with the consent of the City based on market conditions.

Mr. Tymesen said that the cost increase works out to about a dollar per house, and commented that thanks to the contract they wrote, they have savings enough to cover the expense. He noted that they are also paying out of that fund to cover the glass that they are picking up, but they still do not have an outstanding recycling program for glass. It is a reuse program as inert fill material.

DISCUSSION: Councilmember McEvers asked if cities have figured out how to avoid contamination of recyclables. Mr. Tymesen said it is a matter of education and not allowing contamination to be in the carts. There are many communities that take it to a policing level. The garbage hauler and drivers would be their eyes on the street. Councilmember Evans asked if they currently tag recycling bins if they see inappropriate material. Mr. Tymesen said that they do, but the number of tags they have put on bins has not been very significant and there will be a little bit of pain before they have the gain. Councilmember Evans asked if most people are following the proper protocol. Mr. Tymesen said no, and that it is much different than garbage. Some people are doing a phenomenal job, but it is not across the community. Councilmember Evans said that she would think that tagging inappropriate bins would help and would be an important piece

of education for the citizens. Mr. Tymesen said that if you don't think it is recyclable, it is probably not recyclable. Councilmember Evans asked if there are records kept on complaints and resolutions and if they are provided on a monthly basis pursuant to the contract. Mr. Tymesen said that the information is available and he would be the recycling coordinator. He noted that he has looked into the complaints and handles them directly when they come to the City. He said that Coeur d'Alene Garbage has been very conservative in regard to issuing tags.

Councilmember Evans asked what else the \$17,000 monthly, coming from the utility fund, could be used for if it weren't spent on this. Mr. Tymesen said that their plan is to bring forward an improvement plan for the alleys since the sanitation company primarily uses alleys for access. They were looking to partner on education, and to partner with industry on the use of glass, offsetting future increases to constituent fees going forward. He noted that it is a 10 year contract with two, three year options, for a total of 16 years maximum. Mayor Widmyer confirmed that the plan was to still move ahead with the alley improvement program.

Councilmember English said that he has not seen much effort on the education front and is hopeful that if the City really puts some effort into educating people that they could see quite a difference. He commented that people want to have recycling, but they are also willing to pay something to have that, and maybe pay a little bit more, but they need to be really clear that we shouldn't end up having to pay more than we really need to just because people aren't tuned in. Councilmember English asked how "temporary" is defined. Mr. Tymesen said that they are looking at a quarterly update on what the commodity market is doing. He would propose to report back to council in a year, and noted that Coeur d'Alene Garbage is willing to partner on the education. Mr. Tymesen said that they provide a great service at a reasonable price with an industry that has totally changed. Councilmember Gookin asked how much savings was in the Sanitation Fund. Mr. Tymesen said that there is about \$1 million in the fund and the goal is to get that fund healthy so the increase to Coeur d'Alene Garbage this year on July 1st will be the maximum 2.75%. He would propose a time limit in the contract amendment language, and the education piece would also be an expense out of the Sanitation Fund as well. Councilmember Gookin said that people won't be happy to see the tags and won't be happy for the cost to come and pick up the trash. He is hoping that they can work well to educate people on what to do. Councilmember Miller said that there was really no market for glass when they started talking about it and there is still no market. She asked if it was part of the education plan to continue to educate people on how to clean, prep, and deposit their glass. Mr. Tymesen confirmed that it was. He commented that the City hopes to use that glass on 15th Street as structural fill material and noted that the glass that the City is receiving at the glass bins is actually being processed and used as inert fill material and not being placed in the landfill. Councilmember Miller commented that education is a much larger piece that hasn't been very successful in the past, so it should probably have a lot more allotted to it. She asked who would be doing it and Mr. Tymesen responded that they have proposed that KEA take on that task and they will be discussing it at their board meeting this month. Councilmember Miller said that the time frame to review the contract is too long and should probably be monthly. She

commented that having the City take that flat fee of a subsidy without some negotiated percentage with the contractor and that long of a period of time seems to have the “pencil sharpened” a little bit. Mr. Tymesen responded that they want to look at what the cost is, which can move monthly, and the proposal was to come back with a formula. He would like to put a “stop gap” in there as well. Councilmember Evans asked if there were any other options other than China for recyclables and asked if the provider and the City have explored every other option for recycling those items. Mr. Tymesen said that they count on the entities that handle the recycling to find ways in which to make money from handling them. He is hoping that the markets will come up with some reuses so that they can continue to add product back in. He noted that they are just paying a lot of money to landfill a lot of the material in a different state. Councilmember Evans said that she wants to make sure that they have explored all of the options available. Mr. Tymesen said that he has met with KEA, and has offered up the glass to a number of different entities. Councilmember Evans asked if there was an industry norm for cities to absorb this burden, versus the provider. Mr. Tymesen said that many of the cities have been passing the costs on to the persons paying the fees and the haulers have been coming in to open up their contracts. He noted that it has gotten to be commonplace with contracted haulers not being able to absorb the cost increases. Councilmember McEvers commented that the worst case scenario would be that it would cost citizens a dollar more a month to cover the cost, and that they are trying not to do that for the opportunity to provide education. He would like to see what KEA and others can do. Mr. Tymesen confirmed that the renegotiated contract will come back to the Council for their approval. Councilmember English commented that for a period of time he lived in Twin Lakes and didn’t have access to garbage pickup. He noted that it is still a pretty good bargain for the convenience. Councilmember Edinger asked about any other rate increases in the contract. Mr. Tymesen said that the contract was written in such a manner that the only increase that they were aware of when they wrote it was the fuel and annual labor increases, which were built into the contract. He was hoping not to have to come back for any changes or expense, but the industry has changed so much.

MOTION: Motion by McEvers, seconded by Gookin, to recommend staff move forward with contract negotiations with Northern State PAK, LLC, d/b/a Coeur d’Alene Garbage Service. **Motion carried.**

DISCUSSION: Councilmember Evans asked if the motion could be amended or make a strong recommendation to ask staff to come back with options for not eliminating the recyclables. She clarified that she would like more information and to have staff explore all of the possible options when they bring the contract back for discussion.

Mayor Widmyer thanked Mr. Tymesen and noted that he spent an enormous amount of time working on this issue and meeting with people.

ELIGIBILITY REPORT PROPOSAL FOR HEALTH CORRIDOR AND EAST SHERMAN

RECUSAL: Mayor Widmyer recused himself from the discussion for the reason that he owns property in the areas being discussed.

STAFF REPORT: Hilary Anderson, Community Planning Director, presented the staff report. She reviewed the history of the East Sherman master planning area and noted that it was one of the spotlight actions in the CDA 2030 Implementation Plan. They started working hard in 2015 in an effort to engage community members and received a lot of great feedback. They also received technical assistance from Community Builders and will be finishing up the master plan in 2018, updating the zoning code and coming up with incentives. After that, they will hopefully start to see some short-term, mid-term and long-term improvements along the corridor.

One of the things they have been hearing was that urban renewal is probably their best tool for seeing this area revitalized. Ms. Anderson reviewed the East Sherman area and noted that it is approximately 106 acres. Several commercial property owners on East Sherman have indicated that they are waiting to do anything in regard to revitalizing their properties until they see what the master plan says, once the zoning code is updated, and to see if urban renewal and/or other funding options will be pursued. There are also some investors and entrepreneurs looking at East Sherman and waiting until the City takes the next step.

Ms. Anderson reviewed the health corridor area and noted that Kootenai Health approached CDA 2030 in 2017, and asked for assistance in looking at the area. They requested that CDA 2030 bring in the Urban Land Institute to review the area, and their technical advisory committee prepared a report and recommendations, and one of the models used was urban renewal, which had the most “pros” and the least “cons.” Kootenai Health has asked the City and some other partners to assist in the funding of the eligibility report. Ms. Anderson said that the eligibility report is the first step in the process of determining if an area even qualifies for urban renewal. The next step would be the Council adopting the eligibility report by resolution and directing ignite cda to move forward with the urban renewal plan, which includes a financial feasibility report and master planning. She noted that last May the Council adopted an eligibility report for the Atlas property and directed ignite cda to move forward with the urban renewal plan.

DISCUSSION: Councilmember McEvers asked when the East Sherman master plan is due. Ms. Anderson said that it will be done in 2018, probably within the next couple of months, and will be brought to the Council for adoption. They are also looking at which changes need to happen to the zoning code to implement the master plan for East Sherman.

Councilmember McEvers said that his experience with urban renewal is “dirt,” and asked what an urban renewal district could do. Ms. Anderson responded that some of the

improvements and ideas they have been looking at on the Sherman corridor are potentially expanding the sidewalks on the north side of the street and adding some areas for stormwater. They are looking at a stormwater project in the street itself that will help offset the requirements for development projects. They are also looking at some possible upgrades to sewer infrastructure, maybe a traffic circle or roundabout, and opportunities to purchase some of the blighted properties and assist with redeveloping or acquiring land for parking lots. Some other things could be pedestrian level streetlights, trying to create a walkable destination.

Councilmember Gookin commented that this is the first time he has heard of it, and that this is the stuff that Council needs to know before they jump the gun and form an urban renewal district. He noted that the subject came up during the Council's strategic planning workshop last month, and the Mayor mentioned that Council should probably have a discussion on priorities for urban renewal districts. He commented that Council has not discussed their priorities and have not even had a meeting where they could discuss what is necessary in a health district. He would like to see a lot more transparency in the process because his experience with government is when they do eligibility reports, they always recommend moving forward. He would like to see more information presented to Council and a chance to digest it in a public forum so they can evaluate it. Councilmember Gookin commented that there is nothing in the Idaho Code that talks about an eligibility report for creating an urban renewal district. He noted that according to Idaho Code 50-2905, the first step is the urban renewal agency comes up with a report. Councilmember Gookin said that he is not opposed to discussing all of the opportunities that are available and would like to see more information before they move forward with urban renewal as the designated solution.

Councilmember McEvers commented that the property owners carry the brunt of whatever happens as it is their money. Ms. Anderson said that the property owners have been involved and that is what they have been hearing through the master planning process. If Council were to follow the eligibility report, the next step would be to dive into more economic feasibility and master planning. Councilmember Gookin asked if they could wait until the master plans are done before they discuss urban renewal. Ms. Anderson responded that they could, but it delays the timing, because creating a district is not a quick process. The eligibility study is just to keep the ball moving forward to show that they are committed to making progress and to determine if urban renewal is viable or not in these two areas.

Ms. Anderson commented that the health corridor wants to know if it is even eligible before they put money into a master plan. Councilmember Gookin said that the City Council determined in 1997 when they created the urban renewal agency that there were areas of blight in the City. Ms. Anderson said that if they were to move forward with eligibility reports, the consultant would make sure that it was not going to impact the city as a whole and they would have to stay under 10% of current City valuation per Idaho Code. The Atlas property would not be impacted by any other potential districts as it is a priority of the council. Ms. Anderson further commented that eligibility reports have a

shelf life of two to three years and the timing seems good right now to move forward with this step.

Councilmember Evans asked Ms. Anderson to expand on the thoughts behind Community Builders and some of the funding mechanisms they are recommending to the City. Ms. Anderson said that they are still helping to develop that list, but from the beginning have said that urban renewal is the best option, in conjunction with a Local Improvement District (LID) and a Business Improvement District (BID) for ongoing maintenance. There may also be some federal grants, which are very hard to qualify for, and also some smaller ones. She noted that in Idaho they are very limited on the tools available for economic development.

Councilmember Evans asked for more information regarding the eligibility reports and if they would be done by the same agency at the same time. Ms. Anderson responded that there is a range of prices and if a firm did both studies, they would save on travel and other cost savings.

Councilmember Miller said that she is wrestling with the timing of doing this right now and commented that if it is a housekeeping item that gives information to potential investors, etc., it is not a huge amount of money. In regard to the community outreach piece, it feels like a lot of it is driven by the grant funding entities' process. Ms. Anderson said the eligibility study does not commit the Council or ignite cda to move forward in creating districts. She also noted that she has money in her Professional Services line item to cover the costs.

Councilmember Gookin said that the eligibility report is not necessary and that the entire City was declared eligible for urban renewal in 1997. He stated that this is propaganda from LCDC [ignite cda] who wants the City to pay for a report that they would otherwise do. He commented that ignite cda is "gun shy" because they want Council to preapprove an urban renewal district, and that there is no text in the statutes called "eligibility report." Council can petition the urban renewal agency to create a new district, but they are the ones who pay for a study and do the study. He stated that they did not do an eligibility report for Atlas and it is wrong and completely non-transparent, and they are talking about districts that could last up to 20 years. Councilmember Gookin said that he wants to see something done on East Sherman and something done in the hospital district, but he thinks that they are jumping the gun right now because they are being manipulated and Council has not done what they said in the strategic planning workshop, which was to explore the master plan. He would like to wait until the master plan is done and look at the options. He commented that once they do an eligibility report, it will come back positive and say "go for it." He thinks that Council needs to discuss the master plan and then discuss what they want to accomplish.

Mike Gridley, City Attorney, said that there is nothing in Idaho code that prevents the City from deciding to fund an eligibility report and it is totally legal. He noted that the eligibility report would be required as background information for a plan to ever be

proposed and brought forward for approval. This is more of a preliminary step that really needs to be done if there is any support for going forward and looking at these districts. Mr. Gridley also commented that things have changed quite a bit in Coeur d'Alene since the 1997 declaration.

Councilmember Miller said that she wonders about the cost being borne by the City versus born by the urban renewal agency. Ms. Anderson said that Idaho Code doesn't preclude anyone from being a proponent, so it makes a lot of sense for them to take that step. She noted that Kootenai Health is willing to offer up funding for their eligibility study. The thought would be that the eligibility reports would be paid for, and then ignite cda would be asked to fund the next studies if the Council wants to move forward.

Councilmember English commented that he is still a fairly new member of the ignite cda Board, and it seems like Councilmember Gookin is ascribing all kinds of motives and behaviors to the agency that as a board member he doesn't see. He said that he sees the request for the eligibility study as a routine kind of thing and commented that people want to have information and want to know what the options area. He further commented that it seems very transparent to him. Councilmember English said that the City does a lot of partnering with the urban renewal agency and there is an agenda item on their agenda tomorrow talking about the Memorial grandstand and four corners area. Ignite cda has spent a lot of money on things that benefit the City. He commented that the request makes sense to him as the next logical step to find out what some of the questions are.

MOTION: Motion by Evans, seconded by English, to direct staff to (1) move forward with selecting a qualified team and enter into a contract to prepare the eligibility report for East Sherman in an amount not to exceed \$10,000 from the Planning Department budget this current fiscal year; and (2) partner on funding a portion of the Health Corridor eligibility report by contributing \$3,750 from the Planning Department budget this current fiscal year.

DISCUSSION: Councilmember Miller asked about the time frame for the reports and when they would be available. Ms. Anderson said about two or three months, and she can report back to the Council and make them available on the website. Councilmember Evans confirmed that this doesn't commit Council to form a district but only provides guidance. Councilmember Gookin asked if Ms. Anderson had received any bids or offers for people to do the eligibility report. Ms. Anderson said that, for the health corridor report, Nicole Kahler of CDA 2030 contacted three entities. After that had that information, she contacted Kushlan for the East Sherman Study. Councilmember Gookin asked if they would chose a consultant based on the lowest bid. Ms. Anderson said no, they would probably choose the most qualified. Councilmember Gookin asked if they were going to be transparent or is this already a done deal for the consultant. Ms. Anderson said that the recommendation would probably be to use Kushlan. Councilmember Gookin commented that they are spending public money and should take the lowest qualifying bid. He further commented that it doesn't seem fair and the whole thing is non-transparent and he cannot support it. He would support a meeting regarding

the master plan. Councilmember Evans said that Councilmember Gookin was making strong accusations in a forum. Councilmember Gookin responded that he cannot support something that is completely opaque. He commented that the “skids are greased on this, it is going to happen,” and we are going to be handing buckets of cash to developers who are waiting for the public money to finish their projects. Ms. Anderson said that in terms of commercial property owners, investors and entrepreneurs, they also want to see the master plan and zoning, etc. Councilmember Miller said that professional services agreements are not to the lowest bidder pursuant to state code. A low bid process would be inappropriate. She commented that she thinks there have been a lot of people involved in the technical assistance program and outreach on the medical corridor, and is not sure that this was opaque and it even came up in some of the Atlas public meetings and has been in the community conversation. She would love to see a report come back and say that one of the districts was not eligible, or not eligible at that size, and would love to have the information to weigh it positively. She further commented that they are working within the statute and she said that it is creating a necessary piece of data that all entities involved need to have in front of them.

ROLL CALL: English, Aye; Edinger, No; Miller, Aye; McEvers, No; Gookin, No; Evans, Aye. **Motion failed due to a tie vote.**

MOTION by Gookin, seconded by Edinger, to direct staff to hold a workshop on the future development of East Sherman and the Hospital Corridor area, invite all interested parties, and hold the meeting in the evening and televise it so they can be as transparent as possible.

DISCUSSION: Ms. Anderson noted that they can hold the workshops but it may be more challenging for the Health Corridor as they are wanting to move forward. Councilmember Gookin said that he wants to slow it down so they all have time to breathe, and discuss what the big picture is and get input. He noted that there are four funding options for East Sherman and wants to talk about them, what would work best, and get some feedback from Council. He wants the information that he does not have and to be able to evaluate it. Councilmember English said that he is all for more information and thinks that if they do this, they should break the workshops apart because the areas of town are so different. Ms. Anderson said that it would probably be easier to coordinate two separate workshops. Councilmember English suggested scheduling the Health Corridor workshop first.

MOTION TO AMEND: Motion by Gookin, seconded by Edinger, to modify the motion to direct staff to hold workshops on the future development of East Sherman and the Hospital Corridor area, invite all interested parties, and hold the meeting in the evening and televise it so they can be as transparent as possible.

DISCUSSION: Councilmember Miller clarified that the workshop would be held to provide more information on the master planning process and if it should include an eligibility study.

Motion carried.

RECESS: Mayor Widmyer called for a 10 minute recess at 8:11 p.m. The meeting resumed at 8:18 p.m.

PUBLIC HEARING: ZC-1-18: APPLICANT: JOSEPH HAMILTON, PILGRIM'S MARKET; A PROPOSED ZONE CHANGE FROM R-17 TO C-17 AT 1315 & 1325 N. 5TH.

Mayor Widmyer read the rules of order for this quasi-judicial public hearing.

STAFF REPORT: Senior Planner, Sean Holm, presented the staff report, including a review of parking, prior land use, previously approved zone changes and special use permits, required findings, land use, Comprehensive Plan policies for consideration, physical characteristics, and neighborhood character. He noted that the zone change request is for property adjacent to and partially include the applicant's business, Pilgrim's Market. Mr. Holm commented that the Planning Commission unanimously voted to approve the zone change. He also explained the special use permit for a market garden that was approved in 2015.

Councilmember Gookin asked about parking. Mr. Holm said that they meet the parking requirement as they currently exist, but if they do expand they would need to add some parking. He commented that there is parking that exists behind the building that is largely used by staff.

APPLICANT PRESENTATION: Mr. Joseph Hamilton, the applicant, stated that he was granted a special use permit in 2015 for a market garden on one of the three lots. His rezone request conforms to the general nature of the Comprehensive Plan and supports policies that support our natural environment. In regard to economic environment, the general goal of the Comprehensive Plan aims to promote opportunities for economic growth. Mr. Hamilton noted that Pilgrim's Market employs nearly 90 people, providing nearly \$2.5 million in wages in a year. The zone change will create even more jobs. As of April 1, 2018, Pilgrim's Market has directed \$246,973 since they opened in 1999 to local nonprofit organizations. All pedestrians enjoy looking at the beautiful gardens and they are comforting. In regard to their prior special use permit application, three local nonprofit organizations had previously provided a statement of support for their gardening and educational efforts. Mr. Hamilton provided an update of the garden and indicated that they have now completed construction of the 36 x 60 hoop house and are growing tomatoes, peppers, chilies, lettuce, spinach, beets, radishes, kale and arugula. They are especially designing the foods they grow to minimize competing with local suppliers, and are also designing educational and interactive field trips for students. The rezone will only create more positive changes. They have also designed an outdoor dining experience for customers of Pilgrim's in the garden area. This new use resulting from the zone change will be consistent with the Comprehensive Plan. Mr. Hamilton presented a draft plan of the outdoor garden and dining areas and commented that the plan is to completely close off access to their space from the residential streets to

minimize people walking into their property and garden, but also to minimize traffic and activity on the adjoining residential street. The plan is for staff and customers to only enter the area through the store. Employees working on the property would gain access from the existing parking lot and customers would come through the store to dine in the picnic area during the summer months. Mr. Hamilton read a letter in support from Lee Ray.

DISCUSSION: Councilmember Gookin asked why Mr. Hamilton was requesting the C-17 zoning change and not just another special use permit. Mr. Hamilton explained that a special use permit would not allow dining. Councilmember Miller asked if there was currently a sidewalk on the 5th Street residential side, and asked Mr. Hamilton what he was planning in regard to closing off the space. Mr. Hamilton said that it would just be a fence and he confirmed that they would still maintain the sidewalk on the other side.

PUBLIC COMMENTS: The mayor opened the meeting for public testimony.

Michael Bennett said that she is a resident of Coeur d'Alene and a former employee of Pilgrims. She has had a lot of in-depth experience with the store and the Hamilton family and what they want to see accomplished in this community. Even with all of the growth, they have kept a deep connection with the community in regard to the opportunities that they have provided for the community and employees and the area has improved dramatically. Ms. Bennett has been gone for three years, and her husband is currently the market garden manager. She has been able to receive and see on the shelves at Pilgrim's the results of her husband's long and tiring hours working in the garden and it is beautiful. She thinks that it is another step in the direction of contributing back to the community in a special and unique way.

Public testimony was closed.

Councilmember McEvers read an anonymous letter that was received into the record that was against the proposed zone change. Mr. Gridley said that since the letter was anonymous, the weight would not be very much.

COUNCIL BILL NO. 18-1014

AN ORDINANCE AMENDING THE ZONING ACT OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, KNOWN AS ORDINANCE NO. 1691, ORDINANCES OF THE CITY OF COEUR D'ALENE, BY CHANGING THE FOLLOWING DESCRIBED PROPERTY FROM R-17 TO C-17, SAID PROPERTY BEING DESCRIBED AS FOLLOWS, TO WIT: SIX EXISTING PARCELS ALONG THE WEST SIDE OF 5TH STREET BETWEEN E. WALNUT AVENUE AND E. SPOKANE AVE; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE AND AN EFFECTIVE DATE HEREOF.

MOTION: Motion by Edinger, seconded by Miller, to dispense with the rule and read Council Bill No. 18-1014 once by title only.

ROLL CALL: Edinger, Aye; Miller, Aye; McEvers, Aye; Gookin, Aye, Evans, Aye, English, Aye. **Motion carried.**

MOTION: Motion by Edinger, seconded by Gookin, to adopt Council Bill 18-1014.

DISCUSSION: Councilmember McEvers asked Mr. Hamilton to remember that when he gets old and gray and goes away, the zoning is C-17 so it could impact the neighborhood. All of the buildings that are along that are commercial are almost all the back doors are on 5th Street. He commented that he thinks the business fits in there and is cool, and if they can make it work, they have accomplished a lot.

ROLL CALL: Edinger, Aye; Miller, Aye; McEvers, Aye; Gookin, Aye, Evans, Aye; English, Aye. **Motion carried.**

COUNCIL BILL NO. 18-1015

AN ORDINANCE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, VACATING A PORTION OF THE SELTICE WAY RIGHT-OF-WAY, GENERALLY DESCRIBED AS A PARCEL OF LAND ADJOINING THE NORTHERLY BOUNDARY OF LOTS 3 AND LOT 4, BLOCK ONE OF THE GLACIER NORTHWEST-SELTICE SUBDIVISION TO THE CITY OF COEUR D'ALENE, LOCATED IN THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 50 NORTH, RANGE 4 WEST, BOISE MERIDIAN; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HERewith; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE AND AN EFFECTIVE DATE HEREOF.

The mayor read the rules for this legislative hearing.

STAFF REPORT: Dennis Grant, Engineering Project Manager, presented the staff report. He noted that the applicant, Glacier NW Blvd-Seltice, LLC, is requesting the vacation of a portion of Seltice Way right-of-way that adjoins the northeasterly boundary of their property on Seltice Way. The requested right-of-way was relinquished to the City of Coeur d'Alene through an agreement with the Idaho Transportation Department effective on December 30, 2004. The vacation of the requested right-of-way would not have any financial impact on the City and would add approximately 0.046 Acres (1,986 Square Feet) to the County tax roll. The purpose of the request is to provide for additional developable area on the referenced parcel. The applicant has provided an easement to the City to accommodate a portion of the planned multi-use trail along Seltice Way. With the multi-use path construction this year, the additional right-of-way will not be needed by the City. All utilities are existing and in place. The Development Review Team was informed about this vacation and did not have any concerns.

Mr. Grant said that he sent out four certified mailers, with zero responses being received.

DISCUSSION: Councilmember Gookin said that he met with the City Engineer yesterday and noted that this is part of the trail that came in overbid and this is to clear up some road for that trail.

PUBLIC COMMENT: The mayor opened the meeting for public comment. There was none. Public comment was closed.

MOTION: Motion by McEvers, seconded by English, to dispense with the rule and read Council Bill No. 18-1015 once by title only.

ROLL CALL: Miller, Aye; McEvers, Aye; Gookin, Aye; Evans, Aye; English, Aye; Edinger, Aye. **Motion carried.**

MOTION: Motion by McEvers, seconded by Evans, to adopt Council Bill 18-1015.

ROLL CALL: Miller, Aye; McEvers, Aye; Gookin, Aye; Evans, Aye; English, Aye; Edinger, Aye. **Motion carried.**

COUNCIL BILL NO. 18-1016

AN ORDINANCE OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, VACATING A PORTION OF PUBLIC RIGHT-OF-WAY RECORDED IN BOOK F, PAGE 351, RECORDS OF KOOTENAI COUNTY, GENERALLY DESCRIBED AS THE NORTH FORTY-ONE FEET (41') OF LOT 4, BLOCK 1, ANN'S ADDITION IN THE CITY OF COEUR D'ALENE, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 02, TOWNSHIP 50 NORTH, RANGE 4 WEST, BOISE MERIDIAN; REPEALING ALL ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HERewith; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR THE PUBLICATION OF A SUMMARY OF THIS ORDINANCE AND AN EFFECTIVE DATE HEREOF.

STAFF REPORT: Dennis Grant, Engineering Project Manager, presented the staff report. The applicant, Miller Stauffer Architects on behalf of the Kootenai County Board of County Commissioners, is requesting the vacation of right-of-way, the North 41' of Lot 4, Block 1, Ann's Addition in the City of Coeur d'Alene. The requested right-of-way was originally dedicated to the City of Coeur d'Alene in the Ann's Addition Plat in 1991. It stated on the plat that the final right-of-way would be determined by the City of Coeur d'Alene upon the final determination of the location of the collector street. With the Water Department's future building going in on Howard Street and the Compost Facility to the north, the proposed vacated right-of-way has no foreseeable use for the City of Coeur d'Alene. The vacation of the requested right-of-way would not have any financial impact on the City. The purpose of the request is to provide for additional developable area on the referenced parcel. This portion of right-of-way is the last remaining portion of land from an old right-of-way that ran east-west from Ramsey Road to Howard Street. The right-of-way to the east and west is developed with homes. All utility easements will remain in place. The

Development Review Team was informed about this vacation and did not have any concerns.

The mayor read the rules for this Legislative hearing.

PUBLIC COMMENT: The mayor opened the meeting for public comment. There was none. Public comment was closed.

MOTION: Motion by McEvers, seconded by Evans, to dispense with the rule and read Council Bill No. 18-1016 once by title only.

ROLL CALL: McEvers, Aye; Gookin, Aye; Evans, Aye; English, Aye, Edinger, Aye; Miller, Aye. **Motion carried.**

MOTION: Motion by McEvers, seconded by Miller, to adopt Council Bill 18-1016.

ROLL CALL: McEvers, Aye; Gookin, Aye, Evans, Aye; English, Aye, Edinger, Aye; Miller, Aye. **Motion carried.**

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

The meeting adjourned at 8:56 p.m.

Steve Widmyer, Mayor

ATTEST:

Amy C. Ferguson, Deputy City Clerk