

**A CONTINUED MEETING OF THE
COEUR D’ALENE CITY COUNCIL
FEBRUARY 2, 2016**

The Coeur d’Alene City Council met in a continued session in the Old Council Chambers located within City Hall at 710 E. Mullan Avenue, Coeur d’Alene, ID, 83814, February 2, 2016 at 4:00 p.m., there being present upon roll call a quorum.

Steve Widmyer Mayor

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

Members of the Council Absent: Dan English

CITY STAFF PRESENT: Jim Hammond, City Administrator; Renata McLeod, City Clerk; Kenny Gabriel, Fire Chief; Lee White, Police Chief; Randy Adams, Deputy City Attorney; Wes Somerton; Deputy City Attorney – Criminal Division; Hilary Anderson, Community Planning Director; Mike Gridley, City Attorney; Troy Tymesen, Finance Director

GUESTS: Cory Trapp, Longwell+Trapp Architects

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

WORKSHOP WITH THE LEGISLATIVE COMMITTEE:
Renata McLeod noted that today is the 23rd day of the Legislative Session. The legislative committee is planning on continuing the status quo as to how they send letters in support or opposition to legislation as it comes forward. She noted that there hasn’t been a lot of activity of city-centric items, and asked the councilmembers to let her know if they have any areas that they feel passionate about. She reminded the council that they can send individual letters in support or opposition to legislation, as long as they clearly state that it is their individual opinion.

Councilmember Gookin asked about the constitutional carry legislation. Chief White said that it is most likely going to die in committee, although he is sure that it will come up again next year and the year after that. In its current format, Chief White opposes it and noted that they had a constitutional carry law in Arizona and that people forget about the criminal element also being able to carry weapons.

Ms. McLeod said that regulations regarding urban renewal will be coming forward and regulations regarding public records which would allow municipalities to scan in permanent records and get rid of hard copies. Presumptive illness legislation will also be

coming forward in a couple of weeks. Chief Gabriel said that letters need to be sent to the Speaker of the House and co-chairs of the committee. He noted that yesterday the fire commissioners sent a letter in opposition when they had promised that they would not. Seth Grigg of AIC is also going to send something.

Ms. McLeod said that there are some city staff who serve on AIC committees. Sid Fredrickson is staying in the loop on anything in regard to environmental issues and DEQ. Ed Wagner works with the building officials, Kenny Gabriel with the Fire Chiefs Association, and Chief White with the Police Association.

Mayor Widmyer said that the three main parts of the proposed Urban Renewal legislation are a council option on election of URD members, no funding of public buildings by URD over 50% without a public vote (which doesn't include a parking garage), and the requirement that if a URD plan is amended, it will require a reset of property values. In his mind, what it will lead to is very broad, big plans so that you never have to amend, or it will lead to plans that will never be amended because you can't afford to amend them. Councilmember Gookin said that they may add a rule that says that an urban renewal agency can only be called an urban renewal agency – it can't have a different name.

Councilmember Miller asked who is on the city's legislative committee and when do they meet. Ms. McLeod said that they are meeting, depending on the legislation, once a week, on Monday. The next meeting will be next Monday (the 8th), and then the following Monday is a holiday. They may or may not push the meeting to Tuesday if there is a lot of activity going on. The committee meets during the legislative session and they usually do a summary meeting at the end of the session, but they haven't seen a need to meet year around.

Councilmember Gookin asked about meetings with the legislators and commented that he thinks the city should host send-offs to the legislators before they leave. Chief Gabriel said that they did it with Post Falls, NIC and the Chamber of Commerce last year. Ms. McLeod said that they did reach out to Post Falls, NIC and the Chamber this year, but they have found in years past that the legislators were being invited to too many places for the same send off and there just wasn't a big interest to do that this year.

Mr. Hammond suggested that possibly next year the city can try to return to the format of an evening of libations and hors 'oeuvres. It provides an opportunity to share concerns and the city could possibly work with NIC and Post Falls. He noted that the legislators are more likely to come to an evening event.

Councilmember Miller asked where she could find the agendas and minutes, etc. of the legislative committee. Ms. McLeod said that she would add Councilmember Miller to the email list for agendas and minutes. Councilmember Evans noted that there have been very few letters sent and it is her understanding that copies of the letters are placed by the council mailboxes. Mayor Widmyer asked Ms. McLeod to send the minutes of the legislative committee to the council. Ms. McLeod told the council that if they are interested in attending a meeting of the legislative committee, to let her know so that they

can avoid any quorum issues. Current members of the legislative committee are Renata McLeod, Committee Chair; Amy Evans, council liaison; Randy Adams, Kenny Gabriel, Ed Wagner, Hilary Anderson, Troy Tymesen, Wes Somerton, Terry Pickel, Lee White, Christie Wood, Jim Hammond and Juanita Knight.

MOTION by McEvers, seconded by Evans, to approve staff to proceed with writing letters of support or opposition to proposed legislation.

Motion carried.

CITY HALL REMODEL:

Mayor Widmyer said that about six months ago he came to Ms. McLeod and Mr. Tysen and asked them to work on a plan for a remodel of City Hall. There has been talk about remodeling City Hall for the last 12 years, but it was never the right time to do it. One of the issues that they need to address is that City Hall is not ADA compliant and it is something that we owe the community. The other goal is to move all of the staff under one roof and eliminate the leased space on Sherman Avenue.

Ms. McLeod said that right now is an opportune time to come forward with a request for remodel. The city has a healthy fund balance and potential city property to sell. The lease on the Sherman Avenue location has been extended for six months, but the goal is to bring the legal department together.

Ms. McLeod noted that accessibility and security is a big issue these days. They originally started with a budget of about \$200,000 but quickly realized that it was not enough money. The project cost is about \$1.65 Million. The city could potentially receive about \$550,000 from the sale of the Harrison Avenue property, \$100,000 from the sale of other city property, and then could finance \$1 Million through a lease over a 20 year term, 15 year term, or 10 year term.

The new entrance to City Hall will be at the park level entrance and the elevator will help to denote that entryway. They will also have some ADA improvements with the elevator and with the security and flow of the receptionist center. Ms. McLeod noted that the current bathrooms are too expensive to remodel and move around, and they have proposed putting a family accessible bathroom on each floor.

In regard to employee security, Ms. McLeod noted that in 2011 the Police Department did a building security assessment and provided a pretty long laundry list of things that the city could be doing better. They need to make some counter heights taller, and need some external security cameras which were provided through the public safety bond. They also need magnetic readers which allow non-public areas to be locked and security and staff would use magnetic cards to gain entrance.

Bringing the legal department together would result in cost savings, and they are also proposing some glass frontage into the customer service center so that it is more visible

to the public. Ms. McLeod noted that the plans can change, but demonstrate that everyone can fit into the building. The drawing includes a stairway between the Library and City Hall, but the budget doesn't allow for the construction. The cost of the stairway is about \$120,000 and that area provides stormwater management for the Library parking lot.

Mr. Tymesen reviewed the property that is proposed to be liquidated, which includes property at 3285 Fruitland Avenue which was acquired as a result of a city lawsuit. There is a small house on the property with an assessed valuation of \$83,000. The city is currently renting the house through a property manager.

There is also a strip of property across the river from NIC. There are a number of easements on the property. Mr. Tymesen noted that in the Trails Master Plan it is designated to be a landing pad for a trail with a bridge over the Spokane River that there is no funding for. The title report says that the City owns the property, and they are looking to council for a valuation. The property is not a real buildable lot.

Councilmember Gookin asked if anyone has ever inquired about the property. Mr. Tymesen said that there have been no inquiries and confirmed that the property line goes all the way to the waterfront. Councilmember Evans wondered if the council declares the property as surplus, would they be missing future opportunities for the ped/bike bridge and losing something that would be a value to the community. Mr. Tymesen said that they could potentially add easement to any sale for the city to build a bridge. He would like to do some more work to ascertain a value.

Mr. Tymesen next described the HELP Center building property, which is the old Library building. The city acquired the building from the Louisiana Pacific Corporation in 1985 for \$383,000. The LP Corporation acquired the property in 1974 from General Telephone Company for \$265,000. Mr. Tymesen has done some market analysis and the building has a valuation of about \$562,826. They are proposing to declare the building as surplus, and do an exchange of land with St. Vincent de Paul. The City needs an additional 50 feet of land for Fire Station No. 4 on Atlas Road. The 50 feet of extra land would allow the architect to put the building that they want on the site. Mr. Tymesen proposed that St. Vincent de Paul purchase the 50 feet of land and then trade with the City in exchange for the sale of the HELP Center building to St. Vincent de Paul in the neighborhood of \$500,000. The trade helps to keep the City in compliance with the law and keeps the HELP Center campus for St. Vincent de Paul. Mr. Tymesen commented that the extra 50 feet helps with driveways and parking. He confirmed that the 50 foot parcel is worth about \$40,000. Councilmember Edinger asked if anyone has spoken to Mr. Schneidmiller about a donation. Mr. Tymesen said that they have multiple times, but it is a pretty good buy at \$4.00 a foot.

Councilmember Gookin asked if the City owns the two homes on Homestead that are being leased to St. Vincent de Paul. Ms. McLeod said that the City has two parcels on Homestead in which St. Vincent de Paul entered into a long term lease and built an 811 project. Next door they have the old TESH parcel where there are seven units that are tax

credit parcels and they have an arrangement with St. Vincent de Paul to manage them. Because of the tax credit regulations, the property is not sellable.

Mr. Tymesen said that bond counsel has said that the city can move forward with an annual appropriation lease. The state supreme court has recognized that this is a way to lease property and equipment. In this situation, the bank would enter into a long term lease and they are willing to do so at this time based upon the City's credit and the lease savings of approximately \$3,000 per month. The council would appropriate the money on an annual basis. Should the council choose not to make the annual appropriation, there would be no penalty clauses in the lease. Mr. Tymesen said that he is anticipating that the City could get a 20 year fixed lease rate of less than 3%, which would be about \$5,500 per month.

Councilmember McEvers asked about binding future councils. Mr. Tymesen reaffirmed that it is an annual appropriation. Councilmember Gookin commented that the City is receiving income right now from leasing the old library building. Mr. Tymesen said that the lease income is \$1,500 a month; however, the expenses have been "gobbling" that up on an annual basis and it hasn't really resulted in a lot of positive cash flow.

Councilmember Gookin said that he read the Supreme Court opinion and he doesn't think that leasing portions of the building would pass muster. Mr. Tymesen said that he has sat with at least two attorneys that believe that it would. Councilmember Gookin said that, in his opinion, people want a public vote on things and they don't like it when it is taken away from them. He commented that there are tools available to fund this project and that he thinks it is a good project, but we should find another way to fund it.

Councilmember Miller noted that when she was in a wheelchair for quite a while, it was a challenge to get around City Hall. She agreed that the project is probably past due, but is confused about the lease/bond and how she would explain it to her constituents. Mr. Gridley said that to think of it as leasing a piece of equipment and that banks do fixture financing all the time. Councilmember Miller said that it feels like a loan for a remodel that is couched in a different way. Mr. Gridley said that it is creative financing, but the key is that the banks are comfortable with the legality and the risk is really on them. Council is signing off on a year lease, and then next year could decide to not appropriate the money. Councilmember Miller asked if, four years down the road when there is a new council, if they didn't want to appropriate the money, what would happen. Mr. Gridley said that the lease would end. Mr. Tymesen said that if Council chooses not to pay, the City won't get a good credit rating. That is why the banker is trusting that this is an ordinary and necessary part of city government.

Mayor Widmyer said that the \$1 Million figure is the maximum amount of the lease and what they are asking for is council approval to move forward. The final financing package will come a little down the road. He feels confident that \$100,000 is probably a good price for the Fruitland property.

Mr. Hammond said that the issue isn't building a fancy City Hall. The issue really is

more efficiently using space. In the end, all spaces will be more readily used and they are going to create some more energy efficiencies, and will do the ADA improvements that need to be done, and they are proposing to do it without going out and asking for an additional tax levy. He is not concerned about the short-term borrowing because their neighbor to the west did that to build a police station and city hall and people didn't complain because they weren't asking for additional funds. The police department was completed with some urban renewal money and some of the city hall was done with money that was put aside. Mr. Hammond doesn't think that they should ask for a bond and said that the City can, if it exercises financial diligence, complete the project within their current funding.

Councilmember Evans said that she agrees that this is long overdue. Her only hesitation is with the Blackwell property and she wants to make sure that they aren't being short-sighted in missing any future opportunities as waterfront is valuable and limited.

Councilmember Miller said she is also sensitive to city-owned waterfront and commented that the property is an access point and a strategic piece, and suggested that the council might want to look at removing it from the proposal. Mayor Widmyer suggested that council might want to give Mr. Tymesen direction to obtain an appraisal on the property.

Councilmember Edinger said that he recalled that some years ago there was a citizen survey taken regarding the remodel of City Hall and as he remembers, it was very low on the totem pole of things to do. He also wondered how big of a deal it would be to go to the public for approval of a bond. Mayor Widmyer commented that if you have excess funds, he thinks there comes a point where having too much money in the General Fund is not a good thing. Mr. Tymesen confirmed that the audit is going to be very solid and they had a very solid year.

Councilmember Gookin said that the Supreme Court decision still makes him nervous. Mr. Tymesen commented that they have cash in the General Fund to do the project, and could go to the bank and get a CD and borrow on that. Councilmember McEvers said that this point, ADA compliance needs to be done, one way or the other.

MOTION by Miller, seconded by Gookin, to direct staff to move forward with the City Hall remodel plan as presented.

DISCUSSION:

Councilmember Gookin suggested that the council frame the project as an ADA update, and asked if the staircase could be an add alternate. Ms. McLeod said now that staff has the authority to move forward with building drawings and budget costs, before they go out to bid they can see where they are and may be able to put some add alternates into the bid. Mr. Trapp commented that they haven't designed anything yet in regard to the staircase but the stormwater management would have to be moved and the cost for the staircase was a best guess.

Councilmember McEvers asked how the new entrance to City Hall would impact employee parking. Ms. McLeod said that they have already asked staff to start parking in

the upper parking lot and leave the entryway open for people coming into City Hall. Staff will still have the ability to enter the building with their magnetic cards in the upper area. Councilmember McEvers asked about metal roofs at the library and falling snow. Mr. Trapp said that it is an issue with metal roofs and the proposed concept doesn't have any roofs that slope down onto public walkways.

Motion carried.

MOTION by Gookin, seconded by Edinger, to recommend the disposal of surplus real property at 3285 Fruitland Lane, setting a minimum value of \$84,520, set a public hearing to sell the parcel, and directing staff to sell the property by sealed bid auction as allowed by State Code.

DISCUSSION: Councilmember Miller asked if it would be possible to change the zoning on the property to increase its value. Mr. Tymesen said that the property is zoned R-17 now and Ms. McLeod commented that any purchase could come in with a zone change request.

Motion carried.

MOTION by Gookin, seconded by Miller, to recommend disposal of surplus real property at 201 Harrison Avenue and direct staff to move forward with a land trade in accordance to State Code.

DISCUSSION: Councilmember McEvers asked for an explanation of how exchanging land turns into money. Mr. Tymesen explained that the city's asset is greater in value than the land that St. Vincent de Paul is going to trade the city. The State Code says that that they can do land exchanges. The City would let St. Vincent de Paul purchase the 50 foot strip of land, and then take the 50 feet strip of land and they will then trade it to the city for the 201 Harrison Avenue property and the City will receive an additional \$550,000.

Motion carried.

Staff was directed to obtain an appraisal on the Blackwell property.

MOTION by Gookin, seconded by Edinger to direct staff to return to council with options for financing the remaining funds needed, utilizing whatever tools are available.

Motion carried.

Mr. Hammond said that Tim Martin came up with an idea to help people get rid of their yard waste by placing bins used for commercial purposes around town so that people

could dispose of their branches and debris. Mr. Martin has worked out a deal for grinding the wood and Mr. Hammond noted that it would be a good service to help people out. The Cleanup CDA event will be held the week of February 10th and Mr. Hammond confirmed that there is money in the budget to take care of the expense involved. He noted that it is up to the homeowner to bring the branches to the bins. Council had no objection to the Cleanup CDA event and press release.

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

The meeting adjourned at 5:31 p.m.

Steve Widmyer, Mayor

ATTEST:

Amy Ferguson, Deputy City Clerk