

MINUTES OF A REGULAR MEETING OF THE CITY  
COUNCIL OF THE CITY OF COEUR D'ALENE, IDAHO,  
HELD AT THE LIBRARY COMMUNITY ROOM,  
JUNE 17, 2008

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene Library, June 17, 2008 at 6:00 p.m., there being present upon roll call the following members:

Sandi Bloem, Mayor

Al Hassell	)	Members of Council Present
Woody McEvers	)	
Mike Kennedy	)	
John Bruning	)	
Deanna Goodlander	)	
Loren Ron Edinger	)	

**CALL TO ORDER:** The meeting was called to order by Mayor Sandi Bloem.

**INVOCATION** was led by Reverend Paul Peabody, Grace Bible Church.

**PLEDGE OF ALLEGIANCE:** Councilman Edinger led the pledge of allegiance.

**PRESENTATIONS:**

PRESENTATION TO SCHOOL SUPERINTENDENT HARRY AMEND: Mayor Bloem presented a plaque to Harry Amend, retiring School District 271 Superintendent, for his years of service to the community.

PRESENTATION - MUDGY AND MILLIE: Susan Nipp, author and Library Foundation member, updated the Council on the progress that has been made on the Mudgy and Millie project. She reminded the Council that any proceeds from the sale of the book go to the Library Foundation. Terry Lee, artist/sculptor, described the process he used to create the statues of Mudgy and Millie that will be placed throughout the downtown area. He announced that the statues will be placed in late August. Ruth Pratt announced that the ribbon cutting is scheduled for September 13<sup>th</sup>.

**PUBLIC COMMENTS:**

SMART GROWTH: Rachel Winer, Boise Idaho, representing Smart Growth, presented the purpose of her organization and invited the public to review her organization at [www.Idahosmartgrowth.org](http://www.Idahosmartgrowth.org) Councilman Kennedy noted that today at a noon meeting Rachel explained the resources her organization could offer the city.

LCDC FUNDING: Harold Hocker, 1413 E. Spokane, expressed his disappointment with LCDC because the increased tax revenue from improvements made by LCDC goes back into the LCDC fund. He believes after speaking with Chief Longo that the additional taxes should be going to the Police Department instead. He also voiced his concern regarding the number of people with Washington auto plates that live in Coeur d'Alene.

UNIVERSITY OF IDAHO LEASE OF HARBOR CENTER:

Mary Souza, 4153 Fairway Drive, Coeur d'Alene, spoke in opposition to leasing the Harbor Center to the University of Idaho without the City holding a general election to vote on this lease and requested that she be a part of this process. She also requested that the City Council hold a public hearing prior to leasing this property.

Susan Snedaker, 821 Hastings, Coeur d'Alene, expressed her anger that the City had not disclosed to her the reason for the elimination of the Harbor Center PUD which made way for the University of Idaho leasing the facility several years ago. She asked that the City Council table the lease of Harbor Center.

Mic Armon, 2735 Packsaddle Road, Coeur d'Alene, North Idaho College Board member, reported that North Idaho College and the University of Idaho have had a long standing relationship for continuing education for the students in Kootenai County. He believes that the Higher Education Corridor will benefit not only today's students but future generations of Kootenai County residents. He believes that the proposed long-term lease is essential in continuing the vision of the education corridor.

Larry Brannon, Assoc. Vice President, University of Idaho, 2018 W. Bellereve, Coeur d'Alene, thanked the City and the people who had the vision of the Education Corridor. He noted that this vision was first discussed over twenty-five years ago and in 2002 when the University of Idaho moved into the Harbor Center facility, the vision was beginning to be realized. He noted that over 30 graduate programs are now offered at this facility. He reported that the University of Idaho has analyzed this location over several years and the conclusion was reached that being based next to North Idaho College provides many more opportunities that are available at this location than another site. He noted that the University of Idaho has been in Coeur d'Alene since 1920 with extension classes. He further explained that being next to the Wastewater Treatment Facility will provide a rare educational opportunity due to the state-of-the-art wastewater treatment at this facility. Councilman Kennedy asked how the University of Idaho works with Lewis Clark State College (LCSC). Mr. Brannon responded that LCSC is also a partner in the education corridor in providing certain incentive programs that differ from University of Idaho's but by using the same facilities they can combine these programs.

Ann Seddon, 2477 W. Hollow Loop Rd., county resident, predicted that Kootenai County residents will rebel against North Idaho College (NIC) and the City of Coeur d'Alene. She believes that the actions of NIC and the City will adversely affect the children and that the county residents will no longer see NIC as a community college but rather a Coeur d'Alene City College and therefore it should just be the residents of the city that pay for the higher education corridor. She urged the Council to "put the breaks" on this

project and have the voters decide if they want this expansion at North Idaho College.

David Barger, 530 W. Harrison, believes that this is a wonderful opportunity for the community to create something that will last for generations to come but believes that the community needs to be informed of the all the facts regarding this expansion.

Rick Seward, 1315 N. Hill Dr., county resident, asked what the ripple effect would be with this lease agreement with the University of Idaho? He doesn't believe that Idaho has enough jobs for everyone who comes out of college. He noted that when he was a Marine recruiter in Southern California he had an individual with a doctoral thesis that wanted to join the marines because he couldn't get a job with his doctoral degree.

Marlie Shaw, 2906 E. Fernan Hill Road, moved here eight years ago from California, and spoke in opposition to the lease agreement with the University of Idaho. She believes that the Council should make better business decisions and needs to develop a business plan prior to leasing city property. She believes that the City needs to get the details and the City "needs to get a grip".

J. R. Seaman, 1713 Mullan Avenue, Coeur d'Alene, believes that the City Council was elected to make decisions for the citizens of Coeur d'Alene. He noted that the lifetime income of individuals increases with the more education they receive. He believes that education is a marvelous investment and a long-term lease is needed to accomplish this. He noted that 40 people have received their Masters degree through the University of Idaho in Coeur d'Alene while maintaining their full-time jobs in the City. He urged the Council to take the necessary action to make an investment in future generations.

Chris Copstead, 502 N. 20<sup>th</sup> Street, Coeur d'Alene, thanked the Mayor and Council for proceeding with the vision of the Education Corridor and their partnership with the University of Idaho and the Osprey property. He believes that this is the best use of this property. He noted that many comments made tonight are narrow minded and believes that respect needs to be a part of this process.

Joyce Seward, 1315 N. Hill Dr., county resident, noted that just because the people elected the Council doesn't mean that they can do anything they want and admonished the Council that they must listen to the public. She questioned the amount of the lease and not increasing the amount every twenty-five years.

**CONSENT CALENDAR:** Motion by Kennedy seconded by McEvers to approve the Consent Calendar as presented including having staff to confirm that the space between the mobile food concession requested by Nana's Coneys and the light standard meets city code.

1. Approval of minutes for June 3, 2008.
2. Setting General Services Committee and Public Works Committee meetings for June 23rd at 12:00 noon and 4:00 p.m. respectively.
3. RESOLUTION 08-037: A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING THE BELOW MENTIONED

CONTRACTS AND OTHER ACTIONS OF THE CITY OF COEUR D'ALENE INCLUDING DECLARATION OF SURPLUS PROPERTY WITH ZERO VALUE - COMPUTER HARDWARE; APPROVAL OF AN AGREEMENT WITH THE IDAHO TRANSPORTATION DEPARTMENT FOR CD'A FIRE DEPARTMENT PROTECTION ON U.S. 95 RIGHT-OF-WAY; APPROVAL OF A EQUIPMENT RENTAL AGREEMENT RENEWAL WITH THE IDAHO DEPARTMENT OF LANDS FOR USE OF CD'A FIRE DEPARTMENT EQUIPMENT; APPROVAL OF AN OUTDOOR EATING FACILITY ENCROACHMENT AGREEMENT FOR MANA'S CONEYS, INC. AT 206 N. 4<sup>TH</sup> STREET; APPROVAL OF S-3-08 – FINAL PLAT, SUBDIVISION AGREEMENT & SECURITY APPROVAL FOR THE COTTAGES ON GOVERNMENT WAY AND ACCEPTANCE OF IMPROVEMENTS, INSTALLATION OF MAINTENANCE / WARRANTY AGREEMENT AND SECURITY FOR MEADOW RANCH SUBDIVISION

4. Authorizing staff to proceed with negotiation a Landscape Enhancement Project Agreement with ITD for Kootenai Medical Center.
5. Approval of two mobile food permits for Nana's Coneys, Inc. at 206 N. 4th.
6. Approval of beer/wine license for D'Mouse Trap at 628 W. Appleway
7. Approval of bills as submitted and on file in the City Clerks Office

ROLL CALL: McEvers, aye; Bruning, Aye; Edinger, Aye; Hassell, Aye; Goodlander, Aye; Kennedy, Aye. Motion carried.

#### **COUNCIL COMMENTS:**

COUNCILMAN EDINGER: Councilman Edinger announced that this Thursday from 5-7:30 p.m. Scott Reed will hold a book signing in Library Community Room

COUNCILMAN HASSSELL: Councilman Hassell reminded residents that this Sunday is Ironman and urged residents to look at the maps on the City's web site at [www.cdavid.org](http://www.cdavid.org) for street closures during this event.

COUNCILMAN GOODLANDER: Councilman Goodlander reminded everyone that there are a lot of visitors to our town with the Ironman Event and asked residents to be more aware and cautious of the bicyclists.

#### **APPOINTMENT - ARTS COMMISSION AND PARKING COMMISSION:**

Motion by Goodlander, seconded by Hassell to re-appoint Joshua Copper, student representative, to the Arts Commission and to appoint John J. Williams to the Parking Commission. Motion carried.

**ADMINISTRATORS REPORT:** Wendy Gabriel, City Administrator, invited the public to another Higher Education Corridor meeting on July 10<sup>th</sup> at 5:30 p.m. in the Library Community Room to review the proposed plan. She announced that with the Ironman event street closures will occur beginning tomorrow with the closure of Sherman Avenue from 1<sup>st</sup> to 2<sup>nd</sup> Street as well as the 3<sup>rd</sup> Street parking lot. Kudos to the Sunshine Meadows Park tree planting event that was held with 43 trees being planted. Kudos also to the Recreation Department who hosted several baseball tournaments this past month with over 50 girls baseball teams participating in the various tournaments. She also gave

kudos to the Parks Dept. crew for cleaning up the City's shoreline after the recent flooding. She also complimented the Parks Department for the painting of checkerboards on the seawall.

#### RESOLUTION NO. 08-038

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO APPROVING A SITE LEASE AND ACQUISITION AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF IDAHO, FOR PREMISES AT HARBOR CENTER AS DESCRIBED IN EXHIBIT "1".

STAFF REPORT: City Administrator Wendy Gabriel, presented the lease with the University of Idaho (U of I) which will allow the U of I to expand their programs which would include training in conjunction with the Wastewater Treatment Plant as a Resource Center. She noted that if the mill site is not acquired, the U of I will expand their programs at the Harbor Center building site and construct the facility needed by the University of Idaho. Mrs. Gabriel recounted that before 1999 stakeholders formed a committee who had begun to meet with the owners of the mill site for possible higher education corridor expansion. In September, 2000 this committee was informed that the purchase price would be \$10,000,000. In August, 2001 a Memorandum of Understanding (MOU) was executed between the U of I, NIC and the City that assured the residents of Northern Idaho will have access to higher education. At that time it was agreed that the Harbor Center site would be provided to the U of I. On May 23, 2002 another MOU was signed by the U of I, LCDC and the City, including the Bureau of Land Management, Burlington Northern Railroad and LCSC to acquire real property between NW Blvd. and the river where the higher education corridor was to be established. This again was done at a public meeting where the public had an opportunity to provide input. In 2005, acquisition of a portion of the mill site was discussed at a council meeting again where the public had an opportunity to give input. In 2006, another MOU was signed that reiterated the City's commitment to the higher education corridor and the purchase of property for \$1.3 million dollars. At that time, the University of Idaho agreed to purchase this property from the City for this amount.

Mrs. Gabriel reported that tonight's proposed lease provides for the continued presence of U of I in North Idaho. In response to Ms. Shaw's comments, the Mayors of North Idaho jointly sent a letter to the Governor in support of the higher education corridor at this site. She added that the City's Comprehensive Plan, after many public meetings and public input, was adopted and this document also provides for the higher education corridor at this site. She added that in 2002, a program called Vision 2020 was initiated, which was comprised of a group of citizens, who were asked to compile the vision of our community. The Vision 2020 document included the education corridor and noted that by providing this corridor all the colleges could co-locate a campus that could provide for the construction of combined-use buildings such as one Library, one student union building. She noted that North Idaho College could not legally sell their current

site for the purchase of another site. She reported on the economic benefits to the region with the creation of the education corridor.

Councilman Kennedy asked about the existing leases and encumbrances regarding the Union Pacific Railroad and what effect would this have on the lease. City Attorney Mike Gridley noted that the City purchased the property; however, as long as the railroad is a working railroad they have a right of access to this property.

Councilman McEvers asked Mrs. Gabriel to further explain the development. She responded that if this property was developed as an education corridor it outweighed the development of the property into commercial property by \$24,000,000. Councilman McEvers also asked the history of how this property was purchased. Mrs. Gabriel responded that the City purchased a portion of the subject property for expansion of the WWTP. Then when the Harbor Center property was in foreclosure in 1991, it was determined that it would be best for the city to purchase this property for possible future expansion. She noted that by purchasing this property the City got the land for the WWTP expansion and also knew who their neighbors were. The reason for the lease agreement is because when the mill site is acquired the lease gives the U of I and the City more flexibility. Additionally, the U of I is planning to construct a \$24,000,000 building with a \$24,000,000 match and you would not want to build such a structure without a long term lease. She noted that there is a positive economic impact for the 5 northern counties and not just for the City.

Councilman McEvers noted that one of the public comments was that the county residents pay for the college but it is a state institution and thus asked do the tax payers pay more money for this lease. Mayor Bloem noted that there is no additional tax burden to the county taxpayers for the lease of this property. The question is if the U of I grows will there be additional burden on the county taxpayers – she responded that as this campus grows the colleges, would construct buildings as needed with a combination of dollars. She responded that taxpayers will not have to pay more taxes for a state institution. What the taxpayers are doing is providing the land for this higher education corridor. In response to the lease, the U of I will have the building for 99 years but the City maintains ownership of the land.

Councilman Hassell noted that there is a need for a bus route that will connect the college to outlying communities such as Sandpoint.

Councilman Edinger asked if this 99 year lease for \$1.3 million could be changed to ask for periodic increases in lease money. Mrs. Gabriel noted that the U of I needs a 99 year lease in order to construct the facilities needed. She noted that the original MOU had the City conveying this property to the U of I without any consideration of money.

Councilman Edinger also asked what the rush was in getting this lease passed but noted there is a State Board of Education meeting this Thursday. He commented that although the public has had opportunities to comment on the higher education corridor in the past, it seems that all of a sudden the public is saying they had no opportunity to comment.

Mrs. Gabriel responded that the original lease was for 5 years with the understanding at the end of those 5 years the City would negotiate a long-term lease. The five years is now at an end and this is a lease that, as with all other leases, the City negotiates and then presents the leases to the Council for consideration. Councilman Edinger noted that there is no cost to the City for leasing this building to the City. Mrs. Gabriel responded that there is actually a cost avoidance for the City in that the maintenance of this building is the responsibility of the U of I including its surrounding land.

Councilman McEvers noted that some public comments noted that there is no value to higher education. Mrs. Gabriel noted that on an average a student that receives a college degree earns \$9,000 more per year.

MOTION: Motion by Kennedy, seconded by Goodlander to adopt Resolution 08-038.

COUNCIL DISCUSSION: Councilman Bruning commented that the Comprehensive Plan notes that the City recognizes the expansion and growth of the higher education corridor. He added that the Comprehensive Plan had several public meetings and thus the public had ample opportunity to discuss the issue. He added that as a father of a Registered Nurse there is a desperate need for trained nurses and so there is a tremendous need for trained health care workers and this education corridor can provide the needed facilities to provide this training.

Councilman Kennedy expressed his commitment to manage growth, protect our children and provide quality education for our children and believes that this higher education corridor fits all these criteria. He also noted that the comments inferring that Scott Reed's message in his new book of Tubbs Hill is to stop this higher education corridor is erroneous. He noted that one young woman asked him to make sure this higher education is accomplished.

Councilman Edinger commented that the people who had the vision for such projects as the Kroc Center, the Library, McEuen Field, or Tubbs Hill did these projects for the benefit of all citizens of this community and if we didn't have these visionary people our community would not be what it is today.

Motion by Hassell to amend the main motion to change Section 5.4 of the lease to read that at the end of this term this lease would be re-negotiated instead of entitled to be extended. Mr. Brannon noted that if there is a change in the wording in the lease, the U of I Board would not be able to act on this lease at their next meeting. He noted that the second 99-year lease only happens if they do not move to the mill site. Motion died for a lack of a second.

Councilman Goodlander asked residents to consider that it is a benefit and an opportunity to provide higher education to our area residents and this corridor would be an economic engine that would not only provide jobs but would provide an opportunity for better jobs.

Councilman Edinger called for the question. Motion carried.

ROLL CALL: Edinger, Aye; Goodlander, Aye; Hassell, Aye; Kennedy, Aye; Bruning, Aye; McEvers, Aye. Motion carried.

Councilman McEvers commented that when he first became a Councilman he asked about the reasoning behind leasing this property to the U of I, but now he believes that this is a benefit and provides an opportunity to have people be able to get a college degree without having to pay not only for tuition but a place to live out of town.

Mayor Bloem applauded the Council for having vision and an understanding of the value of this lease.

**RECESS:** The mayor called for a recess at 8:35 p.m. The meeting reconvened at 8:43 p.m.

**RCA -10-08 - 1130 E. SKYLINE DRIVE:** Senior Planner John Stamsos presented a request for consideration of annexation from Steven B. Meyer for approximately a 2.7 acre site at 1130 East Skyline Drive.

Mr. Stamsos reported that this property is within the Area of City Impact and had a land use designation of Stable Established and is within the Cherry Hill area. He noted that the City sewer is not currently available however water service is to the property line.

**PUBLIC COMMENTS:** Mayor Bloem called for public comments with none being received.

Motion by Hassell, seconded by Goodlander to authorize the applicant to proceed with the annexation application process for 1130 E. Skyline Drive.

ROLL CALL: Bruning, Aye; Edinger, Aye; Goodlander, Aye; Hassell, Aye; Kennedy, Aye; McEvers, Aye. Motion carried.

**RCA-11-08 - 5225 AND 5245 N. 15TH STREET:** Senior Planner John Stamsos presented a request for consideration of annexation from William and Bonnie Willoughby for two parcels of approximately .64 acre at 5225 and 5245 N. 15th Street.

Mr. Stamsos reported that the two parcels are within the Area of City Impact. He noted that this request would be a logical annexation as these parcels are an "island" surrounded by the City of Coeur d'Alene. Mr. Stamsos added that the City Council recently approved an agreement with the applicants to allow them to hook up to the sewer system because their septic system had failed and the health district required that they hook up to the public sewer system. The agreement allowed the applicants to immediately hook up to the City sewer system but required that they complete the annexation process at the City's request.



PUBLIC COMMENTS: Mayor Bloem called for public comments with none being received.

Motion by Hassell, seconded by Edinger to authorize the applicants to proceed with the annexation process for 5225 and 5245 N. 15th Street.

ROLL CALL: Edinger, Aye; Goodlander, Aye; Hassell, Aye; Kennedy, aye; McEvers, Aye; Bruning, Aye. Motion carried.

**PUBLIC HEARING - A-2-08 - ANNEXATION AND ZONING OF PROPERTY LOCATED AT 2212 W. PRAIRIE AVENUE:** Mayor Bloem read the rules of order for this legislative public hearing. Senior Planner John Stamsos gave the staff report.

Mr. Stamsos reported that the applicant is Meckel Engineering and Surveying, on behalf of owner Christopher Acarregui, the area or request is a 9.4 acre parcel located at 2212 W. Prairie Avenue and the request is for annexation with an R-8 zoning. He noted that on March 13, 2008, the Planning Commission held a public hearing on this request and recommended approval.

Mr. Stamsos went on to give the staff analyses for land use, zoning, Comprehensive Plan, utilities, traffic, and streets. Mr. Stamsos commented that water service is provided by the Hayden Lake Irrigation District. On May 30, 2008, 97 notices of tonight's public hearing were mailed with a total of 6 responses being received - 1 in favor, 2 opposed, and 3 neutral. Written comments were distributed for Council consideration.

PUBLIC COMMENTS: Mayor Bloem called for public comments with none being received.

Councilman McEvers asked what is contained in an R-8 zoning. Mr. Stamsos responded that 8 units per acre are allowed. He added that the subdivision plan will be reviewed by the Planning Commission when the applicant submits their plans for this site. He did note that duplexes can be constructed in an R-8 zone. Councilman Bruning noted that when this was presented to the Planning Commission the applicant stated that they were going to construct single-family dwelling units.

Motion by Hassell, seconded by Bruning to approve the annexation and requested zoning for 2212 W. Prairie Avenue, to adopt the Findings and Order of the Planning Commission.

ROLL CALL: McEvers, Aye; Kennedy, Aye; Hassell, Aye; Goodlander, Aye; Bruning, Aye; Edinger, Aye. Motion carried.

**EXECUTIVE SESSION:** Motion by Hassell, seconded by McEvers to enter into Executive Session as provided by I.C. 67-2345, SUBSECTION C: To conduct deliberations concerning labor negotiations or to acquire an interest in real property, which is not owned by a public agency; and SUBSECTION J: To engage in

communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement.

ROLL CALL: McEvers, Aye; Bruning, Aye; Edinger, Aye; Hassell, Aye; Goodlander, Aye; Kennedy, Aye. Motion carried.

The Council met in Executive Session at 9:07 p.m. Those present were the Mayor, City Council, City Administrator, and City Attorney.

Matters discussed were those of litigation. No action was taken and the City Council returned to their regular session at 9:23 p.m.

**ADJOURNMENT:** Motion by Edinger, seconded by Kennedy to recess this meeting to June 18, 2008 at 7:00 a.m. for a joint City Council/County Commissioner meeting at the Breakfast Nook. Motion carried.

The meeting recessed at 9:23 p.m.

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Sandi Bloem, Mayor

ATTEST:

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Susan K. Weathers, CMC  
City Clerk