

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

November 5, 2024

The Mayor and Council of the City of Coeur d'Alene met in a regular session of said Council at the Coeur d'Alene City Library Community Room on November 5, 2024, at 5:30 p.m., there being present the following members:

Woody McEvers, Mayor

Dan English)	Members of Council Present
Christie Wood)	
Dan Gookin)	
Amy Evans)	
Kiki Miller)	
Kenny Gabriel)	

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

EXECUTIVE SESSION: MOTION: Motion by Gookin, Seconded by Miller to enter into Executive Session pursuant to Idaho Code § 74-206 (1)(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated.

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

The Council entered into Executive Session at 5:31 p.m. Those present were the Mayor, City Council, City Administrator, City Attorney, Water Director, and Legal Counsel.

Council exited Executive Session at 5:58p.m. Matters discussed included a discussion with legal counsel on the Coeur d'Alene Lake litigation case.

Council reconvened into open session at 6:00 p.m.

INVOCATION: Hemene James, Vice-chair of the Coeur d'Alene Tribe, led the invocation.

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

PUBLIC COMMENTS:

Mary Merrill, Coeur d'Alene, requested Council to have a bike trail, sidewalk, or street shoulder on Dalton between Ramsey to Highway 95. She explained that her husband uses a scooter and has to walk in the street with his service dog once he leaves the sidewalk near the Montessori school

and this is very dangerous. There are also school kids walking down the road and mothers with strollers. Mayor McEvers asked Mr. Tymesen to look into this matter.

Lisa Dee, Coeur d'Alene, asked the Council to pass a light trespass ordinance for residential properties. She mentioned that contemporary homes being built have high intensity LED bulbs and they have to deal with a neighbor who refuses to do something about its high intensity lighting fixture. She said that they have talked to code compliance, but since there is no ordinance in place, there were no reports taken. Councilmember English mentioned about the dark skies initiative and that Planning is looking into the different ordinances. Councilmember Gookin stated that Hailey, Idaho has a light trespass ordinance and provided a copy to Planning Director Hilary Patterson. He added that code enforcement receives complaints about light trespass but since there is no ordinance, there is no enforcement. City Attorney Randy Adams said that Ordinance 17.07.130 prohibits intense glare from lighting, and it is for all zoning districts. He stated that he will check into this with code enforcement.

LEAF FEST UPDATE: Street and Engineering Assistant Director Justin Kimberling noted that the annual leaf pick-up will begin on November 12, 2024 from 7:00 a.m. starting on the Fort Grounds area south of Sherman and heading north. This will approximately take roughly two weeks to complete depending on the weather. He stated that this program is led by the Streets and Engineering Department with the support of other city teams: Water, Parks, Wastewater, and Drainage Utility. Advertisements on the start date and some pointers on when and where to put the leaves and needles have been sent out for several weeks. It has been published at Coeur d'Alene Press, the Nickel's Worth, city utility bill, city website, and reader boards deployed in strategic locations. The crew has been prepping the trucks and equipment this week as well as safety training and refresher course for loading trucks and intersections and backing safely. Mr. Kimberling explained that the sweeper operation is the final piece of equipment in the program providing a clean finished look; however, freezing temperature and inclement weather slows them down even more. He stated that we will have cold temperatures next week and so they may fall a day behind the pick-up crew. He asked the public to be patient and assured them that they will get to their street to sweep it. He showed a short informational video that answers most of the common questions about the leaf pick-up.

ANNOUNCEMENTS: Councilmember Gookin reminded everyone that Monday, November 11, is Veterans Day and there will be a celebration at the Veterans Memorial Park at 11:00 a.m. He stated that the Council are invited to attend. Councilmember Miller announced the 3rd Annual Planning and Growth workshop is happening on Thursday, November 7. She said that every jurisdiction in the county will have representatives attending, and she will report back to Council on what will transpire in the workshops, as well as important updates on the efforts to increase affordable local workers housing in Kootenai County.

Mayor McEvers requested the reappointments of Charlotte Doutriaux and Chuck Ethridge to the Arts Commission; appointment of Ruth Pratt to the Library Board of Trustees; and the following Council appointments: Councilmember Gabriel Second GS/PW subcommittee and CDATV Committee; Councilmember English to the Library Board of Trustees, and Councilmember Gookin to be the chair of the second General Services/Public Works Sub-committee. All other Council committee assignments will remain the same.

MOTION: Motion by Wood, seconded by Miller to appoint Charlotte Doutriaux and Chuck Ethridge to the Arts Commission; Ruth Pratt to the Library Board of Trustees; and the following Council appointments: Councilmember Gabriel to the Second General Services/Public Works Sub-committee and CDATV Committee; Councilmember English to the Library Board of Trustees, and Councilmember Gookin to be chair of second General Services/Public Works Sub-committee.

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

CONSENT CALENDAR:

1. Approval of Council Minutes for the October 15, 2024 Council Meeting.
2. Setting of General Services/Public Works meeting for November 12, 2024.
3. Approval of a SS-24-01 – Walker Watson Place – Final Plat
4. Approval of a SS-24-02c – Townhome Condominiums 5th Addition - Final Plat
5. Approval of Bills as Submitted.
6. **Resolution No. 24-089**
 - a. Approval of Grant Deed for Utility Easement for a sewer line from Hagadone Hospitality Corporation at the alley north of Sherman Avenue, South of Lakeside Avenue between 1st and 2nd Street.
 - b. Approval of S-4-19m2- The Union 1st Addition Final Plat, Acceptance of Improvements, Maintenance/Warranty Agreement and Security

MOTION: Motion by Evans, seconded by Miller to approve the Consent Calendar as presented, including **Resolution No. 24-089**.

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

RESOLUTION NO. 24-090

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING AN AGREEMENT WITH CHRISTINA ROY FOR THE EXTENSION OF SEWER SERVICE OUTSIDE CITY LIMITS TO PROPERTY LOCATED AT 2881 E. MURPHY ROAD.

STAFF REPORT: Wastewater Director Mike Anderson noted that Christina Roy, the owner of property located at 2881 E. Murphy Road, has requested that the City provide a sewer service for her property which is located outside the corporate limits of the City of Coeur d'Alene. The property touches the City boundaries for about nine feet and abuts E. French Gulch Road on the north. There is a City sewer main in French Gulch Road and there is a collector line along a portion of the east property line which serves Fernan Hill Estates. Like other properties in the French Gulch area, the septic system on the Roy property is failing and although Panhandle Health has suggested a "fix" for the Roy property, the cost is prohibitively expensive. Mr. Anderson mentioned that per Wastewater Department Policy No. 718, effective December 1, 2020, sewer

service will not be provided to properties outside the municipal boundaries of the City. However, this policy also provided an exception for hardship situations when annexation is not viable. With the formal approval of the City Council, a written agreement may be executed to allow for the extension of the City's public sewer service to properties outside of the City boundaries. Mr. Anderson explained that the said property is not viable for annexation at this time because water is not available in sufficient quantities to allow coverage by the City Fire Department. The nearest water line is approximately 370 feet away in Victorian Avenue, and the nearest hydrant is over 400 feet away. He stated that the Roy property fits within the exception without any need to extend a sewer main which would require additional maintenance. Highlights of the service agreement with the property owner would include property is limited to one single family residence; property must annex when annexation requirements are met; and this agreement "runs with the land" so when the Roy's sell the property, the next owner would have the same requirement to annex into the city.

DISCUSSION: Councilmember Gabriel asked if there were more people in the area wanting to hook into the sewer, with Mr. Anderson stating that there are several properties up on a hill that have a failing drain field and they are in communication with them about providing a similar service, but there are no houses that are immediately adjacent to the Roy property. He added that there is city water in the hill area. Councilmember Wood asked about the prediction for fire service coverage in the near future, with Deputy Fire Chief Bill Deruyter explaining that currently there are no tenders which would carry the water to the scene, but once the Water Department has plans to put hydrants in there, then they can look at doing fire coverage. Mr. Anderson stated that it lies within the city area of impact. Councilmember Miller inquired if it's a new property being built, if they must pay for impact fees or just the actual cost of connection, with Mr. Anderson responding that the property owner will shoulder any of the construction costs and pay the cap fee of \$6,665.00 that every residential family has to pay and then the monthly fee. Councilmember Miller also asked if the capacity of the sewer there would be able to handle if the multifamily residential in the north in the case of a failing septic system plus all those coming off the French Gulch. Mr. Anderson stated that they removed the bottleneck last year. Councilmember English said that he has no problem supporting this exemption in line with protecting the environment and eventually being annexed to the city. Mr. Anderson said that the septic system over there would require a multi-stage treatment system in order to be annexed.

MOTION: Motion by Gookin, seconded by English to approve **Resolution No. 24-090**; approving an Agreement with Christina Roy for Wastewater Services Outside the City Limits, for property located at 2881 E. Murphy Road.

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

APPROVAL OF DEMOLISHING THE OLD MUSEUM BUILDING AT 115 NORTHWEST BOULEVARD

STAFF REPORT: Building Maintenance Superintendent Adam Korytko noted that the museum building located at 115 Northwest Boulevard was remodeled and reopened in 1979. It was originally constructed in the 1960s. It has a footprint of 4,000 sq. ft. with 2,500 sq. ft. previously dedicated to exhibits, while the remainder served as office space, work areas, and artifact storage. In recent years, the roof deck has developed significant splits, allowing rainwater and snowmelt to infiltrate the structure, and despite multiple repair attempts, the roof has failed completely, necessitating a full replacement. Mold testing was conducted by the city early this year which revealed high levels of mold, rendering the building unsafe for occupancy. Mr. Korytko stated that the building is currently unoccupied and in need of a full roof replacement, HVAC roof top unit replacement, asbestos and mold abatement is estimated to cost \$180,000. If not renovated, it faces risks of further decay, damage, vandalism, and becoming an eyesore at the city's entrance. Mr. Korytko explained that the cost to abate and demolish the building is about \$70,000. And although the building was presented to other agencies as a leasing opportunity, due to its condition and renovation costs, there has been little to no interest. He added that demolition of the old museum building would open the view into City Park and may allow for additional parking or other options in the future that could revitalize the area, improve local aesthetics, and create space for a fresh option.

DISCUSSION: Councilmember Wood inquired if there are any discussions about what to put in that location that would also maintain the view. She mentioned about an overhead park shelter because so many people gather in that area during city events. Mr. Tymesen stated that there is a masterplan that goes way back to the Four Corners. However, based on budget available the proposal is to take the building down, help the museum transfer to its new location. Thereafter, Parks will make it into greenspace, and then see what the city intends to do moving forward. Councilmember English stated that there's a lot of good memories of the building as he worked at Coop Supply. He added that it could be a perfect location for a police substation which can be considered in the long-term plan. Councilmember Gookin pointed out that the Masterplan holds that area as an extended parking lot and green space. He mentioned that there is a sea wall there that the city is required by FEMA to keep in place.

MOTION: Motion by Gookin, seconded by Gabriel to approve the demolition the old museum building at 115 Northwest Boulevard.

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

(LEGISLATIVE PUBLIC HEARING) VACATION V-24-03 – VACATION OF ALLEY RIGHT-OF-WAY LOCATED WITHIN A PORTION OF BLOCK Y OF THE COEUR D’ALENE AND KINGS ADDITION

COUNCIL BILL NO. 24-1018

AN ORDINANCE OF THE CITY OF COEUR D’ALENE, VACATING A PORTION OF ALLEY RIGHT-OF-WAY, AS SHOWN ON THE FINAL PLAT OF COEUR D’ALENE AND KING’S ADDITION, RECORDED IN BOOK “C” OF DEEDS, PAGES 144 & 145, RECORDS OF KOOTENAI COUNTY, IDAHO, GENERALLY DESCRIBED AS THAT PORTION OF THE ALLEY RIGHT-OF-WAY, LYING ADJACENT TO TAX NUMBER 4556 AND TAX NUMBER 4557 AND LOTS 2,3,4,5,6, & 7, BETWEEN BLOCK “Y” AND THE RESERVED BLOCK AS SHOWN ON THE FINAL PLAT OF COEUR D’ALENE AND KING’S ADDITION LYING IN SECTION 13, TOWNSHIP 50 NORTH, RANGE 4 WEST, BOISE MERIDIAN, CITY OF COEUR D’ALENE, KOOTENAI COUNTY, IDAHO; 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: Streets and Engineering Project Manager Dennis Grant stated that the applicant, Hagadone Hospitality Corporation, is requesting the vacation of a portion of alley right-of-way located between Block Y and the Reserved Block as shown on the final plat of Coeur d’Alene and King’s Addition, which is north of Sherman Avenue, south of Lakeside Avenue between 1st and 2nd Street. This is meant for building a 15-story hotel, restaurant, and a multilevel parking structure on the property surrounding this alley. He noted that the project went through and received unanimous approval from the Design Review Commission in March 2024, and the project is slated to start in the Fall of 2024 starting with the demolition of the existing structures and facilities on the site. The building construction is anticipated to start in the spring of 2025 with a two-year construction schedule. The subject property, on each side of the alley, is owned by the applicant. There are several existing utilities such as sewer, power, and other franchised utilities that will be contained in an easement as part of the vacation ordinance. Mr. Grant explained that the requested right-of-way vacation would not have any financial impact on the City and would add approximately 600 square feet to the County tax roll. Mr. Grant noted that he sent out 129 certified mailings and received three responses: one favorable and two neutral.

DISCUSSION: Councilmember English stated that he is supportive since this is a usual vacation request; however, he pointed out that their cranes should not take up more of public right-of-way downtown and should be contained in the property. Councilmember Evans requested clarification on parcel 3 with Mr. Grant explaining that parcel 3, currently where the Lyfe Coffee is located was purchased by Hagadone Corporation and then parcel 4, which is a parking lot, is also owned by the Hagadone Corporation. He mentioned that there are some businesses in the corner of the property that are not owned by the Hagadone Corporation and it does not touch the alley right of way.

PUBLIC TESTIMONY: Mayor McEvers opened the public testimony portion of the hearing.

Drew Dittman, representative of Hagadone Hospitality Corporation, stated that there are eight parcels in the block that the Hagadone Hospitality Corporation owns which are on both sides of the alley. There are two parcels that are up in the corner which are not owned by the Hagadone Corporation, but they have contacted these owners, and they are in support of this request for vacation which would give them control of the alley, so they won't rely on the city for snow plowing or maintenance. The site plan has been vetted and approved by the Design Review Commission. The plan includes a two-story parking garage for people in the hotel, a new Azul restaurant that is part of the hotel, and the hotel itself. Mr. Dittman explained that during construction the crane will be entirely contained within the Hagadone property. He added that there will be parking, and dumpster located in parcel 3.

Councilmember Miller asked if there are any parking leases or agreements with adjacent properties within the parcel, with Mr. Dittman replying that they have done a full title search and there are no existing access easements or any parking easements. He stated that the Hagadone Hospitality Corporation owns all of those parcels on both sides of the requested vacation including the parking area that currently serves the Johnson Building.

With no more comments received, Mayor McEvers closed public testimony.

MOTION: Motion by Wood, seconded by Miller, to dispense with the rule and read **Council Bill No. 24-1018** once by title only.

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

MOTION: Motion by Wood, seconded by Miller, to adopt **Council Bill No. 24-1018**.

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

RESOLUTION NO. 24-091

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, ESTABLISHING A COMMERCIAL PROPERTY ASSESSED CAPITAL EXPENDITURE (C-PACE) PROGRAM, ADOPTING A PROGRAM GUIDEBOOK AND FORMS FOR USE IN THE PROGRAM, PURSUANT TO CHAPTER 38, TITLE 67, IDAHO CODE.

STAFF REPORT: City Attorney Randy Adams noted that on September 17, 2024, the City Council declared its intent to establish the Commercial Property Assessed Capital Expenditure (C-PACE) program for the City of Coeur d'Alene pursuant to a new Idaho legislative initiative. He stated that the next step in the process is to establish the program and adopt the program guidebook and forms which contain the terms and requirements for the program. This is a process which is set out by the enabling legislation in Title 67, Chapter 38 of the Idaho Code. Mr. Adams explained that the C-PACE program is entirely voluntary; which means the city cannot force any developer or lender to participate in it. He quoted that the state legislature finds that enabling local governments to adopt C-PACE programs serves a valid public purpose because the use of C-PACE

programs will increase economic development, lower insurance costs, and lower city disaster and emergency response costs, decrease energy and water costs, encourage energy and water sustainability. The U.S. Department of Energy stated the C-PACE program is an innovative mechanism for financing energy efficiency and renewable energy improvements on a completely voluntary basis to private property between private parties and private lenders. The advantages of C-PACE financing include financing for 100% of direct and indirect costs; fixed interest rates; up to 30+years to repay; secured by a property lien (not a personal guarantee); and non-acceleratable in the event of default. Mr. Adams pointed out that the C-PACE program intends to make financing more available for things such as renewable energy sources, energy efficiency, and water conservation measures, all of which that the City of Coeur d'Alene has shown interest in the past. By the last count, there are at least 38 states that have C-PACE enabling legislation, including all of the states in the western United States except for Wyoming and Arizona. Since 2007, C-PACE financing has been used in over 2300 projects in 29 states with a value of \$7.2 Billion. Mr. Adams pointed out that Council must decide whether to move forward and adopt a C-PACE program for the City of Coeur d'Alene as outlined in the program guidebook. If so, the City of Coeur d'Alene will be the first in Idaho to adopt the C-PACE program. He stated that there are lenders and developers who are anxious to use this financing mechanism. It was determined by city staff that the Program would generate significant funds for the City (\$500.00 per application and up to \$50,000.00 per project), with no risk and little cost in terms of money or time required on behalf of the City. The Finance Director will receive the applications and determine if it meets the requirements of state law and the city program, and then sign the necessary documents on behalf of the city. Mr. Adams assured that none of the documents create any liability on the part of the city. Thereafter, it is up to the developer and the lender to see the project through. The lender will collect payments on the loan, which would include the 1% service fee that the city is entitled to charge, and then remit that fee back to the city. Mr. Adams emphasized that the establishment of the program does not commit the city to continue the program for any particular period of time.

DISCUSSION: Councilmember Gabriel asked if there will be anything negative for the city in the long term, with Mr. Adams replying that there is none and it will just be a little that the city needs to do such as staff time to review the applications. Councilmember Wood commented that she had a chance to spoke with Gynii Gilliam, President & CEO of Coeur d'Alene Area Economic Development Corporation, who shared strong support for the C-PACE program. She stated that this will be positive for the City of Coeur d'Alene, and she will be supportive of establishing this program. Councilmember English asked how big the project should be so that the city would get the \$50,000 capped amount, with Mr. Tymesen responding that the Marriott is looking at \$15 Million worth of building improvements. Councilmember Miller inquired if the Finance Department has the capacity to take this on as administrator of this program, with Mr. Adams stating that the program guidebook was reviewed by Finance Director Katie Ebner, and she had no concerns about it. Councilmember Gookin pointed out that there are a lot of forms that needs to be filled up and inquired if the \$500.00 application fee would cover the processing of these forms with Mr. Adams explaining that the forms are filled out by the lender and the applicant, and the Finance Director will just have to review the submissions if they are in order. Councilmember Gookin asked if there was anyone who specifically approached the city to initiate the C-PACE program. Mr. Adams stated that the Marriott Corporation first approached the city and directed the city to a lender in Colorado who runs the program for additional information. Councilmember Gookin stated that he did some research and while he agrees that there's nothing negative for the

city, it looks like there are a lot of obligations that take place on behalf of the developer. He asked who would choose the lender with Mr. Adams responding that it would be the developer. Councilmember Gookin asked if the property taxes are directly assigned to the property and not the owner, which would effectively mean they would pay more in property taxes and that is the way the loan gets paid back. He asked if the C-PACE lien is superior to the existing mortgage liens. Mr. Adams explained that it would be like any other special assessment against a piece of property, and it would be secondary only to the property tax. Mr. Tymesen added that it would be superior to the first deed of trust. Councilmember Gookin asked if the developer can use the funds to build an extra floor on the building with Mr. Adams replying that they can get a loan for building the entire building structure, but it will be a separate loan for eco-friendly or energy efficiency improvements. Councilmember Gookin asked if there is a cap on how much can be loaned and Mr. Adams replied that it is not stated in the policy.

PUBLIC TESTIMONY: Mayor McEvers opened the public testimony portion of the hearing.

Lisa Dee, Coeur d'Alene inquired if there is a height limit for buildings for downtown. Councilmember Gookin responded that it would be 220 feet, and the Council is working on height restrictions policy for downtown.

With no other comments received, Mayor McEvers closed public testimony.

MOTION: Motion by Wood, seconded by Miller to approve **Resolution No. 24-091** – Approving the C-PACE program and adopting the Program Guidebook, together with the required Forms.

DISCUSSION: Councilmember Gookin stated that while he does not see any risk as far as the City of Coeur d'Alene is concerned, he feels uncomfortable implementing the C-PACE program because this is created by lenders who sold it to the legislature and had it adopted. He cited that C-PACE loans are banned in Los Angeles. Some unscrupulous actors came in saying its free government loan for getting solar power installed in their houses, and eventually the program caused the increase of property taxes in the area. He said he is hesitant to support this because of potential impact to the people.

ROLL CALL: Gabriel Aye; Evans Aye; Miller Aye; Gookin No; English Aye; Wood Aye.

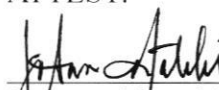
Motion carried.

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

The meeting adjourned at 7:18 p.m.


Woody McEvers, Mayor

ATTEST:


Jo Anne Mateski
Executive Assistant