

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

DECEMBER 18, 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, December 18, 2018 at 6:00 p.m., there being present upon roll call the following members:

Steve Widmyer, Mayor

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

**CALL TO ORDER:** Mayor Widmyer called the meeting to order.

**INVOCATION:** Pastor Paul Peabody with Grace Bible Church provided the invocation.

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

**PUBLIC COMMENTS:**

David Lyons, Coeur d'Alene, spoke in reference to the hospital corridor report. He felt that Kootenai Health is having difficulty assembling parcels and has the power of eminent domain that they do not want to do, so they are looking to ignite cda to do the property acquisition for them. At the previously held ignite meeting, Jon Ness, with Kootenai Health, stated that a new district would use financing to assemble land. The urban renewal district can give property to any governmental entity, without or without compensation, and without compensation would be at the expense of the taxpayers. He believes this will lead to ignite over-paying for properties. He does not believe that the ignite plan will have enough details to justify the district.

Susan Snedaker, Coeur d'Alene, spoke in regard to the proposed health district corridor, and wondered if the neighboring property owners were contacted yet. She read a paragraph from the eligibility report regarding the notation of price gauging that Kootenai Health is experiencing. She believes poor planning in the past is why the hospital is in the situation it is in today and that the taxpayers are increasingly burdened. She believes that the property owner has the right to set their own price and that the creation of this district would be corporate welfare.

Teuvo Orjala, Coeur d'Alene, noticed the casings on the beach from the fireworks show after the lighting parade. He has been in contact with Kootenai Environmental Alliance and felt it should be brought to the city's attention. He wanted to know who knew this would occur and/or if it

will be allowed in the future. Mr. Orjala noted that the Coeur d'Alene Press investigated and found 4,500 fireworks were lit off that night and he worries many more ended up in the lake and down the river. The Mayor noted that the lake is one of our most valuable assets and that the Parks staff did clean up the beach. He explained that this was a new product, never used before, and the Resort sent their crews down for several days to clean up. They will not use that product again, and the vendor has assured them it will not happen again. If so, there would be consequences. Councilmember Miller said that she appreciates citizens bringing these items forward.

Patty Shea, Coeur d'Alene, noted that after 39 years of service with Avista Utilities she would be retiring and wanted to introduce her successor, Todd Kisbee. She thanked the Council for all the interaction she has had with the City over the years and the neighborly treatment. Mayor Widmyer thanked Patty for all the work she has done over the years and all her volunteerism to the community, as well as welcoming Todd aboard.

#### ANNOUNCEMENTS:

Councilmember Gookin noted that he was recently reminded of the city land swap with ignite cda for property south of Tubbs Hill. When the idea arose, he stated that the property south of City Hall should come to the City to expand Tubbs Hill in 2020 when the Lake District expires. Mayor Widmyer noted the land swap is no longer in process.

Mayor Widmyer noted that he challenged the department heads to send in ideas regarding service improvements, efficiencies, and ideas for their departments and the City. He distributed copies to the councilmembers and noted that there will be a spring workshop.

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

1. Approval of Council Minutes for the December 4, 2018 Council Meeting.
2. Approval of Bills as Submitted.
3. Approval of Financial Report.
4. Approval of Annual Road and Street Financial Report for year ending September 30, 2018.
5. Approval of Minutes for the December 10, 2018 Public Works Committee Meeting
6. Setting of Public Hearing for Public comments for the CDBG Annual Action Plan for PY2019 on February 5, 2019.
7. **Resolution No. 18-064-** A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, AUTHORIZING THE BELOW MENTIONED ACTIONS AND APPROVING A MEMORANDUM OF UNDERSTANDING OF THE CITY OF COEUR D'ALENE INCLUDING: DECLARING AS SURPLUS CERTAIN GENERAL EQUIPMENT OF THE WASTEWATER DEPARTMENT AND AUTHORIZING DONATION; DECLARING AS SURPLUS CERTAIN OBSOLETE EQUIPMENT USED IN THE FIRST PHASE OF THE TERTIARY TREATMENT UPGRADE FOR THE WASTEWATER DEPARTMENT AND AUTHORIZING DISPOSITION; AND APPROVING OF A MEMORANDUM OF UNDERSTANDING

(MOU) WITH THE COEUR D'ALENE CHARTER ACADEMY FOR TRAFFIC CONTROL ON A TRIAL BASIS.

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

**PRESENTATION OF THE HEALTH CORRIDOR ELIGIBILITY REPORT**

Mayor Widmyer noted that he has property within the corridor area, recused himself from the proceedings, and asked Council President McEvers to chair this portion of the meeting. Community Planning Director Hilary Anderson noted that earlier this year the Urban Land Institute provided a technical assistance report and recommendations for moving forward with an eligibility study of the Health Corridor. At a Council workshop held on August 7, 2018, it was determined to move forward with the eligibility report paid for by Kootenai Health. She noted that staff is currently asking the Council to accept the report and direct staff to move forward with ignite, cda. Wally Jacobson, PAC Executive Director and Tom Hudson PAC Consultant, introduced the Health Corridor Eligibility Report completed earlier this month.

Mr. Hudson noted that Coeur d'Alene is the fastest growing City in the fastest growing state, and with growth comes challenges. Kootenai Health is one of the most important public assets as it is one of very few independent community hospitals in the nation. The hospital has 3,200 employees with an average wage of \$58,000/year (excluding physicians). Between the years of 2010-2017, the City grew by 15% and Kootenai Health grew its staff by 71%. The Urban Land Institute noted that Kootenai Health's growth is now constrained, as is its ability to remain competitive, which means they may have to grow outside of the city limits. He noted the corridor vitality is dependent upon capital investments. He also noted that the challenges for the corridor include limited funding sources, which means that tax increment finance (TIF) is a key source to be considered and is one of the few tools available in Idaho. Mr. Hudson noted that the eligibility report included site surveys and interviews with specialists. He said the boundary of the eligibility report was to the west along Northwest Boulevard, to the east along Government Way, and to the south Davidson Avenue, and a small area north of I-90. The report identified eight (8) findings determining eligibility, including items such as inadequate street layouts, unsafe conditions for traffic circulation, obsolete buildings, lot layouts, odd lot lines to be adjusted for better economic development, and hard-to-consolidate parcels due to diversity of property ownership. Mr. Hudson noted 261 accidents in the area, which is substantial for the area. Additional impairments to growth could include proximity of adjacent state (Spokane area) for competitive disadvantage, and sanitary sewer capacity. He summarized by noting that Kootenai Health and other stakeholders are succeeding in adapting to massive marketplace changes that could not have been anticipated. Kootenai Health is competing well as a regional medical center for now, but is reaching its growth limit. Mr. Hudson noted that the urban renewal tool would be part of a collaboration of efforts.

**DISCUSSION:** Councilmember McEvers asked for clarification regarding the deteriorating area. Ms. Anderson noted that terminology is specific language used under the urban renewal code. Councilmember Gookin noted that the hospital is a taxing district and can levy property taxes and questioned what other funding options the hospital would have. Mr. Hudson noted that

he would follow up with the Council regarding other resources available other than TIF. Councilmember Miller asked if including the property abutting the border on the north side of I-90 would address some of the traffic issues. Mr. Hudson confirmed that other means of egress to get north and south would help with the bottlenecks. Councilmember Gookin expressed concern with the finding of obsolete buildings and how it affects the hospital itself. Mr. Hudson explained that single practitioners do not offer the same synergy and technology-sharing that is being sought out in today's health care. Councilmember Gookin noted that he does not believe that obsolete buildings are detrimental to public health and safety. Mr. Hudson reiterated that there are only 88 independent community hospitals left in the United States, and Kootenai Health has built synergies with other entities. He noted that Kootenai Health would be less centralized if it had to move to the Rathdrum Prairie, and that would be a detriment to public health. When the health facility was built, it was based on providing 32,000 services per year and recent numbers are 52,000 services provided per year. In order for the hospital to do what it needs to do, and provide emergency services, it must have more density and obsolete buildings are counter to that need.

Councilmember Miller clarified that the action tonight is for Council to consider the eligibility report and the actual future district may include all or a part of the parcels, but it is clear that this action tonight is is not a vote on a plan. Councilmember Edinger asked who is driving this request. Mr. Hudson noted that CDA2030 employed them to conduct the report and they have been in communication with staff and ignite cda. Councilmember Edinger noted that he has lived in this community for many years and goes to that area often and has not heard that they need urban renewal there and wondered if the residents were interested in this and how much the City stands to lose. City Administrator Troy Tymesen noted that the analysis for the tax cost has not been done yet, as direction to staff has not been made. He did note that the City does not have funding for public infrastructure improvements that this report outlines and this is an opportunity for a way to finance that infrastructure, as we want to keep our largest employer. He also noted that if the City were to try to recruit Kootenai Health to our area today, we would use every tool available.

Mr. Hudson noted that residents in the area of Davidson and Emma Avenues might be waiting for a master plan before spending money to fix up their homes. The nature of a regional medical center includes a need for housing for their employees and an urban renewal plan could address the need for housing in that area. Councilmember Miller asked if independent hospitals were on the decline, what would be the outcome if Council did not take action to move forward with a district. Mr. Hudson clarified that Kootenai Health has been extremely successful, noting the number of people served and what it was originally constructed to serve. In decline, the hospital would need to branch out of the city limits and small independent practitioners would cause the loss of synergistic growth. Councilmember Miller asked for clarification regarding the next steps and what role the findings have in moving forward. Mr. Hudson explained that the findings would serve as evidence for the creation of the district and would not dictate the plan. The next steps would include the code requirements for forming a new district.

Councilmember Gookin noted his concern is that the obsolete building terminology is being used as justification to buy property for private owners. If the boundary map did not include Davidson Avenue and other residential areas to the south and was tighter around the hospital, he

felt it would be clearer that it relates to infrastructure. He clarified that he would not support stepping on private property rights. Mr. Hudson noted that the map provided tonight represents the study area, but would be better suited to show as dotted lines, as that boundary can be changed going forward, but he felt it was important to show the area of impact. Many people who you want to work within the corridor are going to have housing challenges. Right now things look fine, but you do not want to be late in looking into the future. Councilmember Evans noted that she reflected on what Kootenai Health personally meant to her. She noted that three years ago she had a heart issue and was able to complete her medical care in her hometown, surrounded by family and friends. This demonstrates the impact that a healthy health district can have for a community and she would support action to move forward tonight. The burden will be on ignite to see if a new district is feasible. Councilmember English explained that his daytime job is as the Director of the Area Agency on Aging, whose office is located at Lakewood and Ironwood Drive. Additionally, he is a native of Coeur d'Alene and has seen the growth over time and would want the hospital to be here and expand into the future for local medical care, especially for our senior population. He noted that the hospital has an elected board of trustees, as a local taxing district, rather than a straight "for profit" private business. He believes that in the end it is better to divert taxes for a period for the long-term benefit and he would be supportive of taking the next step. Councilmember McEvers said that he thinks of the hospital area as special and feels the push back may be the use of urban renewal. He asked for ignite's legal counsel, Danielle Quade, to provide some additional information regarding the next steps. Ms. Quade explained that the intent of the proposed Resolution is for the City make a determination before any further planning can take place. She noted that the Council must agree with at least one of the findings presented tonight as the first step in moving forward. Councilmember Miller noted that the boundary map shown tonight is not guaranteed as the final plan, but wanted assurance that traffic is considered as a high priority going forward. Ms. Quade confirmed that people in that area noted traffic as a large concern. Councilmember McEvers asked if the City or ignite contacts the property owners directly as this moves forward. Ms. Quade explained that direct contact is not a part of process; however, public hearings are legally noticed. Councilmember Miller asked how urban renewal would need to consider the value of other plan areas. Ms. Quade noted that the districts could not exceed 10% of the total valuation of the city, including all districts. Councilmember English asked if the tax bill of those within a district would look different. Ms. Quade noted that the tax bill would not look different and that as improvements are made within the district property values could go up. She also noted that other avenues for funding would be analyzed as part of the plan, and that would include an LID, BID, community development block grant funds, transportation grants, new market tax credit, Kootenai Health taxes levy/bonds, and other public entities that could provide payment in lieu of taxes. Councilmember Edinger asked for certainty that if the Resolution is passed tonight a future district is not set in stone. Ms. Quade confirmed that the only action is to declare the property is eligible, and that there is still quite a process to do the master planning, and it will be brought back to the Council.

### **RESOLUTION NO. 18-065**

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO, DETERMINING A CERTAIN AREA WITHIN THE CITY OR WITHIN THE CITY'S AREA OF IMPACT TO BE A DETERIORATED AND DETERIORATING AREA AS DEFINED BY

IDAHO CODE SECTIONS 50-2018(9) AND 50-2903(8); DIRECTING THE URBAN RENEWAL AGENCY OF THE CITY OF COEUR D'ALENE, IDAHO, DBA IGNITE CDA, TO COMMENCE AND COMPLETE THE PREPARATION OF AN URBAN RENEWAL PLAN, WHICH MAY INCLUDE REVENUE ALLOCATION PROVISIONS, FOR ALL OR PART OF THE AREA; AND PROVIDING FOR AN EFFECTIVE DATE.

**MOTION:** Motion by Evans, seconded by English to approve **Resolution No. 18-065**, approving the determination of an area within the City to be deteriorated or deteriorating as defined by Idaho Code 50-2018(9) and 50-2903(8); directing the urban renewal agency of the City of Coeur d'Alene, Idaho, dba ignite cda, to commence and complete the preparation of an urban renewal plan, which may include revenue allocation provisions, for all or part of the area.

**DISCUSSION CONTINUED:** Councilmember Gookin reiterated that he would not support the motion, as he does not believe the report proved that it is an economically disadvantaged or deteriorating area.

**ROLL CALL:** McEvers Aye; English Aye; Edinger Aye; Evans Aye; Miller Aye; Gookin No. **Motion carried.**

**RECESS:** Councilmember McEvers called for a 10-minute recess at 7:52 p.m. The meeting resumed at 8:01 p.m.

**(LEGISLATIVE PUBLIC HEARING) A-4-18: A PROPOSED ANNEXATION OF 4.992 ACRES ANNEXATION FROM COUNTY SUBURBAN TO CITY R-1, LOCATED AT 7610 N. RAMSEY ROAD APPLICANT: LAKE CITY BAPTIST CHURCH.**

**STAFF REPORT:** Community Planning Director Hilary Anderson explained that the Lake City Baptist Church is requesting annexation of 4.992 acres from County Suburban to City R-1 (Residential 1 units/acre) zoning on the property located at 7610 Ramsey Road. Ms. Anderson noted that the reasons for the request are to construct a civic use of community assembly & education and to be allowed connection to the city sewer service. The Planning Commission heard the request for special use permit for community education and it was approved with the condition that a minimum of a double check valve be required on the main domestic water supply before any downstream connection. She noted that R-1 is the lowest intensity zoning within the city limits. Ms. Anderson noted that there are four findings required for this annexation as follows: that the request is or is not in conformance with the Comprehensive Plan; that public facilities and utilities are or are not available and adequate for the proposed use; that the physical characteristics of the site do or do not make it an acceptable request at this time; and that the proposal would or would not adversely affect the surrounding neighborhood. She presented the surrounding zoning, land uses, and applicable Comprehensive Plan objectives and provided staff input regarding the finding categories.

**PUBLIC TESTIMONY:** The Mayor opened public comment.

**APPLICANT:** Gordon Dobler noted that he is speaking as the applicant's representative. He noted that the property is an island of county within the city limit boundary. This is an existing

use that has been there for 20 years. He noted that an R-1 density was requested, as they do not ever foresee a need for the C-17 density. Mr. Dobler noted that there are no new impacts and that the church is currently being served by the Hayden Lake Water District.

**DISCUSSION:** Councilmember Gookin as for clarification as to why the church wants to be annexed. Mr. Dobler explained that they want to provide a private school and they do not have the sewer capacity. Mayor Widmyer asked Mr. Tymesen to clarify if they would be required to connect to the City water service. Mr. Tymesen noted that the City would require them to connect to the city’s system along with the sewer connection. Councilmember Miller asked if traffic was considered with the special use permit. Ms. Anderson confirmed that during that hearing there were no concerns expressed by the City Engineer.

**PUBLIC TESTIMONY:** The Mayor called for additional public comment, and hearing none, public comment was closed.

**MOTION:** Motion by Gookin, seconded by Edinger to approve A-4-18: A proposed 4.992-acre annexation from County Suburban to City R-1, located at 7610 N. Ramsey Road Applicant: Lake City Baptist Church, to direct staff to negotiate an annexation agreement, and to develop the necessary Findings and Order.

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

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

The meeting adjourned at 8:20 p.m.

ATTEST:

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Steve Widmyer, Mayor

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Renata McLeod, CMC, City Clerk