

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

January 2, 2013

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 January 2, 2013 at 6:00 p.m., there being present upon roll call the following members:

Sandi Bloem, Mayor

Loren Ron Edinger            ) Members of Council Present  
Mike Kennedy                )  
Woody McEvers               )  
Dan Gookin                   )  
Steve Adams                 )  
Deanna Goodlander         )

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

**PLEDGE OF ALLEGIANCE:** The pledge of allegiance was led by Councilman McEvers.

**APPOINTMENT OF CITY CLERK RENATA MCLEOD** - Susan K. Weathers conducted the Oath of Office to swear in Renata McLeod as the City Clerk.

**WASTEWATER RATE ANALYSIS PRESENTATION:** Sid Fredrickson introduced HDR Engineering representative Shawn Koorn, who provided the detailed presentation. Mr. Koorn stated the three main components involved in a rate study include the revenue requirement, cost of service, and rate design. The study outlined capital projects, reserve funding for growth related projects, proposed debt service funding, and reserve level funding. Key assumptions included a ten year forecast, operation and maintenance expenses forecasted (based on current year costs), and assumed 20 years of low interest loans and a proposed 10-year capital improvement plan. Mr. Koorn stated that the Phase 5C1, 5C2, and 5C3 projects total approximately \$30,000,000. The proposed sources of revenue minus the expenses provided the bottom line of funding needed. The proposal includes a slightly greater increase to commercial customers versus residential, and a transition plan for rates over the next five-years. Additionally, Mr. Koorn presented a rate comparison with several Idaho and Washington cities, demonstrating that the proposed utility is less than the average Idaho rate.

Councilman Kennedy asked for clarity regarding the costs of new construction versus an existing building with a new use. Mr. Fredrickson stated that it would depend on the change of use. If the new use were less of an impact than the existing use a credit would be given. Additionally, rate adjustments are necessary to fund improvements and reflect the impact on the system, and that cap fees reflect the cost to connect to the system. Councilman McEvers asked for clarification of the Fernan sewer connection. Mr. Fredrickson stated that the City of Fernan

connection is based on an Idaho Supreme Court ruling in favor of the City of Fernan, and requires the City of Coeur d'Alene to provide wastewater service into perpetuity. The contract allows for a rate less than single family residential within the city limits of Coeur d'Alene, and will be in effect until both parties agree to open the contract. Councilman Goodlander clarified that the City of Fernan had to install upgrades to their lines, etc. to connect to the City of Coeur d'Alene's system and they are still in the process of paying that portion.

Mr. Fredrickson clarified that this study is a result of total daily maximum load requirements of phosphorus and downstream regulations. Councilman Gookin thanked Mr. Fredrickson for the hard work at getting the original rate increase estimate down. Mr. Fredrickson stated that the earlier pilot program has allowed lessons to be learned to allow for rates to come in lower.

**UPDATE 2020 – VISIONING COEUR D'ALENE'S FUTURE PRESENTATION:** City Attorney, Mike Gridley, stated that he has spent some time in Bend, Oregon and found it to have many similarities to Coeur d'Alene. Mr. Gridley recently learned of the Bend 2030 program. This program is similar to the Coeur d'Alene 2020 project; however, the Bend program included action plans to accomplish certain goals. Since it is now 2013 and the City is not that far from 2020 it may be a good time to review the City's values and goals with the community and create a new shared vision. Mr. Gridley provided a short video of the Bend Vision 2030 project and stated that the consultant used for the project was Steven Ames. Mr. Gridley asked the City Council if they would like him to bring back a proposal from Mr. Ames to the City of Coeur d'Alene. The City Council felt it was worthwhile to bring more information forward.

#### **PUBLIC COMMENTS:**

**VARIOUS AGENDA ITEMS:** Tina Johnson, 601 Front Avenue, expressed support for the U.S. 95 pedestrian trail and the approval of the application to lease BLM property. She stated that the McEuen project is important to finish and would like the City to utilize additional LCDC funds to accomplish it. The LID on Front Avenue should be fair; however, at five times the 2005 amount, she felt it was too high. She stated that she is biased on each issue, due to her community involvement and her address. She encouraged the City Council to continue their forward thinking.

**MCEUEN PARK:** Bruce McNeil, 524 N. 17<sup>th</sup> Street, stated that he is concerned about the rift between neighbors in this community. The McEuen Park project is an opportunity to help heal the rift. He supports what he heard at the 90% completion meeting last week, and wants the completed park to be made special. He supports the funding from LCDC, as that was a main reason for their existence. He stated that he did not agree with funding from Parks Capital Improvement or General Fund accounts. He suggested that the project be revised to remove the underground parking garage, and place a centrally located parking garage at Lakeside Avenue. Additionally, the Front Avenue project should stand on its own two feet as a separate street project.

Susan Snedaker, 821 Hastings Avenue, stated that McEuen Park should be improved for the children, and that a parking garage should be built on Lakeside Avenue as a mixed use building and that the Front Avenue project should be separate from the McEuen project. Additionally,

she requested that the city have a public televised meeting with the School District regarding Person Field. She requested that public meetings occur in the evenings rather than 7:30 a.m. and they should all be televised. Councilman Kennedy stated that the City has requested a meeting with the school board; however, the School District's legal counsel has recommended against it at this point in time. Councilman Goodlander clarified that discussions are ongoing and the City will continue to request a public meeting with the District and the neighborhood. Ms. Snedaker stated that she believes the neighborhood would want Person Field to be a place for children and neighbors to gather.

Frank Orzell, 310 E. Garden Avenue, stated that he believes that the vast majority of the community does not oppose improvements to McEuen and are anxious to see improvements. He believes that the 90% design elements have the support of City Council and the community at large, and that those are elements that people think of when they think of a park. He encouraged the City Council to not eliminate elements but, rather, postpone items, such as the underground parking facility, Front Avenue and side streets. Additionally, he would like to see signs of progress and would like to see a visioning project similar to Bend.

**PERSON FIELD:** Tom Hamilton, 968 Ptarmigan Drive, Hayden, stated that as a school board member he is only aware of a request from the city for an executive session meeting, not a public meeting. An executive session meeting could not be held due to Idaho Code. The deadline the School Board set of December 17th has passed and the School Board has purposefully delayed action so that the City would have time to consider options. He stated that the majority of the School Board members are in the audience, so that they could hear the presentation on the agenda today. Councilman Kennedy read a Facebook posting from Mr. Hamilton's account and stated that he didn't feel the comments posted would help negotiations. Mr. Gridley stated that the meeting request was given to the School Board's legal counsel. Councilman Kennedy expressed that the city has had many years of good relations with the School District and wants to get back there.

**RECALL:** Glen Anderson, 1630 E. Elm Avenue, stated that he believes that the recall was due to the McEuen project and believes that the recall was politically squashed. He personally analyzed the data and there was a consistency rate of 60%. The reasons for signature rejections were questionable such as address problems and technicalities and that laws were changed at the time of the recall. He believes that those who voted in the original election should have been able to sign the recall petitions. Upon speaking to the County he found over 60 forgeries were called, although the County does not have a handwriting expert. He feels the recall system is an antiquated tool, based on penmanship and should be electronic.

**US 95 TRAIL:** Charlie Miller, 1283 N. Center Green Loop, encouraged support of the U.S. Highway trail being included in the Joint Powers Agreement.

John Bruning, 618 Military Drive, stated that he is a member of the Centennial Trail Maintenance Agreement/Joint Powers Board. The state has agreed to widen the trail to 10 feet and make repairs to bring the U.S. 95 trail up to standard, with the requirement that entities include the trail in their joint powers agreement. He expressed that this is a great one-time

opportunity and believes it would be a good tourist draw. He asked that the Council vote in favor of this item.

Jessica Daugharty-Sterner, 715 Foster, spoke in support of the US 95 Trail agreement and encouraged the City Council to vote favorably on this item.

**RATE INCREASE:** Brent Regan, 6100 Borley Road, stated he believes that the interest rates taken under consideration in the rate discussion of 2.5% are not likely to continue. The County recently discontinued their connection fees because it deters growth. Councilman Goodlander asked for clarity regarding his statements, as improvements need to be paid for in some way and the City needs to meet the discharge regulation requirements. Mr. Regan stated that if you want growth, then you need to make that as easy as possible. Spreading costs over a large population base would allow for more growth. Councilman Gookin asked for clarification regarding keeping rates flat and the effect it would have on growth. Mr. Regan stated that if the costs were amortized over a larger pool and not a one-time fee at the point of application, growth would increase. Finance Director Troy Tymesen stated that the city has had historically low rates recently and that the financial plan looks toward a 5-year period. He further clarified that the County rescinded impact fees, not capital fees. This utility is a fee for service, not just a tax to all tax payers, and that a hook up fee is for a new connection which means that the new growth is paying to buy into the system. Additionally, the city needs to comply with state code regarding fee for service and insure that it is a direct benefit to those paying the fee.

**CONSENT CALENDAR:** Motion by Kennedy, seconded by Goodlander to approve the consent calendar as presented.

1. Approval of minutes for December 18, 2012 and December 27, 2012.
2. Setting General Services and Public Works Committees meetings for Monday, January 7<sup>th</sup> at 12:00 noon and 4:00 p.m. respectively.

**ROLL CALL:** Goodlander Aye; Gookin Aye; Kennedy Aye; Adams Aye; McEvers Aye. Motion carried.

**RECESS:** The Mayor called for a 5-minute recess at 7:36 p.m. The meeting resumed at 7:46 p.m.

**APPOINTMENT:** Motion by Edinger, seconded by Adams to approve the appointment of Daniel Sheckler to the Natural Open Space Committee. Motion carried with Gookin voting No.

**ADMINISTRATOR'S REPORT:** This holiday season, the City of Coeur d'Alene Fire Department collected 1,225 pounds of food for the Food Bank. Combined with the amount collected at the Picture with Santa event, the pounds of food collected totaled nearly 2,000 pounds. The single stream recycling program quantities measured in pounds, are up over 10% in each of the past two months as compared to one year ago. Recycling pick up has broken through the 400,000 pound per month level. Due to the New Year's holiday yesterday, garbage pickup will be delayed by one day. Citizens who have questions are welcome to call 769-2300. The city has added a new feature to its online communication channels: City Council in Brief. This is a quick summary of what happened at the Council meeting. It will be posted on the website and

the blog. Mr. Tymesen stated that they are currently testing inputs and software and billing should go out in February.

### **RESOLUTION 13-001**

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING AMENDMENT NO. 2 TO THE CONTRACT WITH THE COEUR D'ALENE FIRE DEPARTMENT DEPUTY FIRE CHIEFS.

Motion by Edinger, seconded by McEvers to adopt Resolution 13-001.

**ROLL CALL:** Gookin Aye; Kennedy Aye; Edinger Aye; Adams Aye; McEvers Aye; Goodlander Aye. Motion carried.

### **ENDORSEMENT OF THE MAINTENANCE OF THE U.S. 95 PEDESTRIAN-BICYCLE TRAIL AND AUTHORIZATION OF AN INCREASED ALLOCATION TO THE JOINT POWERS BOARD.**

Trail Coordinator Monte McCully presented an opportunity from the Idaho Transportation Department (ITD). The trail was built in the 1980's, and has gone into disrepair as trail maintenance was not done since its construction. ITD has agreed to replace the trail to current standards provided that the jurisdictions involved add this trail to their existing joint powers agreement for maintenance. The portion of trail through Coeur d'Alene would be approximately 3 miles. The trail connection through to Silverwood provides opportunities for future connections to the north. The additional funds requested would go into the existing Centennial Trail fund and be specifically allocated to this portion of the trail. Mr. McCully asked the City Council to accept the offer and contribute the additional \$2,500 annual appropriation.

Motion by Kennedy, seconded by Goodlander to endorse the U.S. 95 pedestrian-bicycle trail and authorize an increased allocation to the Joint Powers Board.

**DISCUSSION:** Councilman Gookin asked what account the \$2,500 annual fee would be paid from. Mr. Tymesen clarified that there is a line item in the Parks Department for the existing \$7,500 annual contribution and he would recommend that line be increased to \$10,000. Councilman Kennedy stated that at the recent Parks and Recreation Committee meeting, there were several community members giving support, including persons in wheel chairs, and he felt this would benefit the community. Councilman Goodlander asked when ITD would do the trail repair work. Mr. McCully stated that the hope is to start this summer with completion in the fall. Councilman Goodlander expressed her support of the project.

Motion to endorse the U.S. 95 pedestrian-bicycle trail and authorize an increased allocation to the Joint Powers Board was carried.

## RESOLUTION 13-002

A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AUTHORIZING ACCEPTING THE CONVEYANCE OF THE FORMER UNION PACIFIC RAILROAD RIGHT OF WAY KNOWN AS THE PRAIRIE TRAIL FROM THE LAKE CITY DEVELOPMENT CORPORATION.

Mr. Gridley stated that in 2007 the North Idaho Centennial Trail Foundation purchased old Union Pacific Railroad property, and as a nonprofit they were able to negotiate a good deal. The Foundation borrowed money from LCDC, in hopes of a land trade with the Bureau of Land Management (BLM). BLM currently stated that they do not want to do the land exchange. Therefore, the trail property went back to LCDC, who does not want to own the land. LCDC now wants to convey the property to the city since it is a public trail. Councilman Adams verified that the city was conducting the maintenance, while the Foundation contributed time and money. Mr. Gridley stated that the City would be able to enforce city ordinances upon the trail when it becomes city owned.

Motion by Goodlander, seconded by Kennedy to adopt Resolution 13-002.

**DISCUSSION:** Councilman Gookin stated that he was uncomfortable with this conveyance as he doesn't believe that LCDC should own property outside their district and didn't agree with the original funding to the Foundation. Mr. Gridley stated he has looked at that aspect of the purchase previously and that since part of the trail was in the district and the other half of the trail contributed to its use the purchase was authorized.

**ROLL CALL:** Kennedy Aye; Edinger Aye; Adams Aye; McEvers Aye; Goodlander Aye; Gookin No. Motion carried.

### **APPROVAL OF APPLICATION TO LEASE BLM PROPERTY (FORMERLY BNSF RAILROAD RIGHT-OF-WAY) LOCATED WEST OF NORTHWEST BOULEVARD BETWEEN MEMORIAL FIELD AND THE RIVERSTONE SUBDIVISION.**

Mr. Gridley stated that the BLM has been a long term partner of the City and wants to get this property into the City's hands. He explained that it is tricky to get land out of federal ownership; therefore, the best recommendation is a lease under the Recreational Purposes Act. The lease terms would include \$2.00 per acre per year, with a \$100.00 application fee. The application to lease the land would be for a 5-year term, which would allow time for master planning of the land, and planning for a future request for full ownership. Councilman Goodlander asked for verification that the land would need to be used for public purposes with no ability to sell or rent. Mr. Gridley stated that the land could be used for civic purposes, such as fire stations and education facilities (in addition to recreation uses). Councilman Gookin asked from which account the fees would be paid. Mr. Gridley stated that he believes it could come out of the Parks Department fund. Councilman Adams stated that he has toured the property and it was clear that it is an amazing piece of land. His one concern is that no economic gain can come from the property, not even concessions; however, he expressed his support. Councilman

Edinger asked if this property was considered for a dog park. Mr. Gridley stated that it could be an option.

Motion by Goodlander, seconded by Edinger to approve the application for lease of BLM Property (formerly BNSF Railroad right-of-way) located west of Northwest Boulevard between Memorial Field and the Riverstone Subdivision.

**DISCUSSION:** Councilman Kennedy stated that people from Shoshone County will tell you there is a year-round benefit from people who will come here to use recreational land. Councilman McEvers asked for clarification regarding the lease term. Mr. Gridley stated that the five years is a minimum and at the end of the lease term it is hoped that the City would be able to request Congress to earmark the land as a gift to the City.

Motion to approve the application for lease of BLM Property (formerly BNSF Railroad right-of-way) located west of Northwest Boulevard between Memorial Field and the Riverstone Subdivision was carried.

### **RESOLUTION 13-003**

A RESOLUTION OF THE CITY OF COEUR D'ALENE, STATE OF IDAHO, MAKING FINDINGS AND DECLARATIONS WITH RESPECT TO FINANCING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS TO THE WASTEWATER TREATMENT FACILITY SYSTEM SERVING THE RESIDENTS OF THE CITY; APPROVING AND AUTHORIZING, SUBJECT TO JUDICIAL CONFIRMATION, THE FINANCING OF THE IMPROVEMENTS; AUTHORIZING THE FILING OF A PETITION FOR JUDICIAL CONFIRMATION IN THE DISTRICT COURT OF THE FIRST JUDICIAL DISTRICT OF THE STATE OF IDAHO; AND PROVIDING FOR RELATED MATTERS

Danielle Quade, attorney with Hawley-Troxell Attorneys acting as the city's bond counsel, stated that the action before the Council tonight is to make the determination that the improvements are ordinary and necessary and to move forward with the filing of the Judicial Confirmation and then to consider the ordinance.

Motion by Edinger, seconded by Goodlander to adopt Resolution 13-003.

**DISCUSSION:** Councilman Adams asked for clarity regarding the process of trying to get bonds, regarding a public vote, and if the voters turned it down if you could still go to a judge. Ms. Quade stated the city could do a public vote; however, if it were turned down by the public there may be consequences at a judicial confirmation. Case law for findings for ordinary and necessary fit well for this project, as these improvements will ensure compliance with EPA and DEQ. Councilman Adams asked if there was a pending lawsuit regarding total daily maximum load. Mr. Fredrickson stated that the lawsuit was against EPA, and that the parties agreed to move forward without a court determination. The EPA conditions are agreeable to the city with regard to the permit. They do not believe that any of the conditions/regulations going forward this evening will change. Councilman Kennedy reiterated that there is a timeliness factor regarding interest rates. Mr. Tymesen stated that interest rates are up at least a ¼%, so a time

delay would work against us. Councilman Gookin stated that he would have loved to see a public vote on this, but no one showed up to the hearing and he hasn't heard concerns from citizens on this matter.

**ROLL CALL:** Edinger Aye; Adams Aye; McEvers Aye; Goodlander Aye; Gookin Aye; Kennedy Aye. Motion carried.

**ORDINANCE NO. 3456**  
**Council Bill 13-1001**

AN ORDINANCE OF THE CITY OF COEUR D'ALENE, STATE OF IDAHO, APPROVING AND AUTHORIZING IMPROVEMENTS TO THE WASTEWATER TREATMENT FACILITY SYSTEM SERVING THE RESIDENTS OF THE CITY; SETTING FORTH THE ESTIMATED COST OF THE IMPROVEMENTS; ORDERING THE CONSTRUCTION AND ACQUISITION OF THE PROJECT; AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN AN AMOUNT UP TO \$33,590,000 PLUS REQUIRED RESERVES AND ISSUANCE COSTS TO FINANCE A PORTION OF THE IMPROVEMENTS; PROVIDING FOR THE PAYMENT OF SUCH BONDS; AND PROVIDING FOR OTHER RELATED MATTERS.

Motion by Kennedy, seconded by Goodlander to pass the first reading of Council Bill No. 13-1001.

**ROLL CALL:** Adams Aye; McEvers Aye; Goodlander Aye; Gookin Aye; Kennedy Aye; Edinger Aye. Motion carried

Motion by Kennedy, seconded by McEvers to suspend the rules and to adopt Council Bill No. 13-1001 by its having had one reading by title only.

**ROLL CALL:** Adams Aye; McEvers Aye; Goodlander Aye; Gookin Aye; Kennedy Aye; Edinger Aye. Motion carried.

**PERSON FIELD UPDATE:** Mr. Gridley presented an update regarding the acquisition of Person Field. The parcel was originally split so that the School District could retain the old track, so it is not divided by a straight line. The history of the property includes its 1995 land exchange for city land at Lake City High School and Lakes Middle School needed for a portion of land for accreditation. The District's appraisal for the property is \$655,000 (\$4/sq. ft.) based on R-12 zoning density versus the Northsire Park and Eagles property purchases at \$2/sq. ft. Based on these comparables, the City has determined a fair price for the land to be used as a public park would be \$327,660 (\$2/sq. ft.) as it will not be developed. Mr. Gridley stated that City tax payers are being asked to pay for public land that was paid for out of public funds, so it is a fairness issue. One item of confusion is the idea that the School District must get the appraised value for the land; however, that is not the case. In accordance to Idaho Code 33-601 and 67-703, the District may give land to the City at no cost or at a negotiated price. In summary, the proposal was made to the School District that the City would pay \$655,000, with the field being valued at \$327,660 so the difference would be made up in other valuable ways. Additional valued items include the extension of the



current gym use contract by 10 years, additional use of two new gyms for 25 years, and the right to run Skyhawk camps. The City can control the cost of the Skyhawk camp, which would keep costs down for children participants. Additionally, the City would retain the dog park at Atlas and pay for surveying. No formal response from the District or its representatives has been received by the City. Councilman Edinger stated that his personal feelings are that the City, in good faith negotiations some years back, said that it would trade 10 acres at Lake City High School for Person Field, and then when the District stated that it needed a part of Person for Lakes Middle School, the City, again, was a good partner and gave the property back. He believes that the City was negotiating in good faith the whole time, and that the City should get the property back without paying for it. He thanked staff for going through current negotiations. He is opposed to paying the \$650,000, and believes the School District should give the land to the City. Councilman Kennedy questioned if the recent request to increase the Joint Powers Agreement amount from \$30,000 to \$70,000 would go away under the proposal. Mr. Gridley stated that the existing Joint Powers Agreement is a 10-year term, and will be renegotiated outside of the Person Field negotiations. Mr. Gridley stated that the holidays have probably slowed down this process and Monday may be the first time for the District to discuss the proposal. Councilman Goodlander clarified that the original direction to staff was to go negotiate a deal and not to write a check. Mr. Gridley concurred that staff's direction was to try to acquire the field and that a joint meeting may be good and timely. Councilman Kennedy has heard from constituents who feel as Councilman Edinger does, and that the City assisted the District with Sorenson through LCDC; however, this property is not within the urban renewal district boundary, so LCDC can't help in this acquisition. Mr. Gridley stated that if the District decides to not accept the proposal they would be able to go out to bid, and if they don't get any bids, they could renegotiate a deal. Councilman Goodlander clarified that the City could put in a sealed bid. Mr. Gridley concurred; however, clarified that Idaho Code would allow the District to give the land to the City for a dollar. Mr. Gridley stated that money used for the acquisition would come from the Fund Balance. Councilman Goodlander clarified that when LCDC revised its plan to include Sorenson it was approximately \$400,000 in improvements.

Motion by Gookin, seconded by Kennedy to direct staff to arrange a meeting between the School District and the City Council to be televised for the purpose of settling the acquisition of Person Field. Motion carried.

Motion by Kennedy seconded by Goodlander to direct staff to convene a meeting of the neighborhood around Person Field to discuss what the park should be in the future. Motion carried.

Councilman Kennedy clarified that the meeting should occur as soon as possible.

**McEuen Park Funding and Design Determination:** City Administrator Wendy Gabriel stated that the purpose of the presentation was to provide the 90% design to the public and for City Council determination of design and funding options. The major points she noted were that the proposal does not include any new tax dollars and nothing was added to the design that was not in the original concept. Mrs. Gabriel provided a brief history of the park design starting with the 1997 Hyett Palma strategy, which suggested that redevelopment of the park include the sub-surface parking, pavilion, amphitheater, and plaza areas that are currently in the design plan. It also suggested that tax increment financing be used to fund redevelopment. The historical review included a review of the various public meetings and City Council actions pertaining to McEuen

design. In 2005, the Front Avenue reconstruction was delayed to be completed at the same time as the McEuen Park project. In 2010 community meetings regarding the McEuen Park project began and the Ad Hoc Design Committee was formed. In 2011, the Ad Hoc committee presented a concept to the City Council which was approved to move forward with a cost estimate. At that time Ad Hoc Committee member, Dave Patzer stated that we need to look at this beyond a 15/30 year mortgage and plan for future generations, which is the job of cities.

Mrs. Gabriel stated that shortly before the 30% completion the project became budget driven. A budget of \$14,246,000 was identified on March 6, 2012 and design continued based upon that budget. Prior to the 30% design report, a number of compromises occurred including leaving Tubbs Hill out of the design, leaving the boat launch in place, and leaving Front Avenue between 2<sup>nd</sup> and 3<sup>rd</sup> Street open to traffic. After the 30% design report, an additional compromise was made and about one-half of the boat trailer parking was decided to remain closer to the launch facilities instead of all of it being located south of City Hall. At 60% design completion it became clear that the park amenities removed to meet the budget needed to be included to be the park the community deserves. At 90% completion the design restores the park amenities to create a destination park. Councilman Kennedy clarified that the City added infrastructure/utility pieces not specifically needed for the park, but timely to add for efficiencies, which total approximately \$1.2 million. These city additions make it look like the costs increased by that amount; however, they were needed and timely to complete at this time. Mrs. Gabriel clarified that even if the city didn't do the park project, these items would have needed to be done. There are efficiencies to do these projects now and less impact on the neighbors to do it at one time.

Dick Stauffer and Dell Hatch from the design team presented the 90% design completion main points, including the splash pad, sports courts, family pavilion, Harbor House, and grand plaza. The Front Avenue Promenade has been expanded and lighting and furniture have been included. Paid parking kiosks are proposed for the parking lots and the overall parking count has been increased by 102 stalls. Centennial Trail alignment is unchanged, and will be divided with a three foot separation between the pedestrian area and a 12' wide path for wheeled vehicles, such as bicycles. The Veterans Memorial area and re-established Freedom Tree will be near the grand plaza. The waterfront promenade and Harbor House elements are included in the design with a pedestrian overlook at the seawall. Mr. Hatch presented an overview of the playground equipment, restrooms, and trails and clarified that three Osprey nesting locations will be included in the park. Mr. Stauffer clarified that the nesting posts are due to be set in place prior to the osprey returning in February and that the dog park amenity has been privately funded and is included in the design.

Project Engineer Phil Boyd presented funding options to move forward with the proposed design as presented. Additional funding is needed for the base bid, but additional alternates are included. Since the design is 90% complete, the contingency has been reduced to 5%. The city added scope of work, such as utilities, totaled \$1,357,000. Staff proposes that \$470,000 be used from the Fund Balance to cover expenses relating to Front Avenue side streets, 3<sup>rd</sup> street storm sewer, fiber optic raceways, City Hall dumpster enclosure, and 8<sup>th</sup> street stormwater base system. Mr. Boyd stated that the 2012 project bid came in almost 25% lower than the engineer's estimate, due to the unique market conditions. The current engineer estimates are based on the current market. Councilman Kennedy stated that he believes bids may come in low and provide some savings based on the City's bid history.

The following is a summary of costs/funding:

- |   |              |
|---|--------------|
| • Current estimates including add alternates :  | \$17,637,512 |
| • Existing contract costs Architect/Engineering | 3,206,000    |
| Total   | \$20,843,512 |
| • Funding sources as previously committed       | \$13,924,800 |
| • Proposed additional funding                   |              |
| o Fund Balance                                  | 470,000      |
| o Overlay FY 13-14                              | 650,000      |
| o Parks Capital Improvement Fund                | 400,000      |
| o LCDC request of                               | 4,271,912    |
| o Front Avenue LID based on \$400/front foot    | *1,126,800   |
- \*(if lowered it would need to be made up in another funding source).

Additional funding request to LCDC would be the minimum of \$4,271,912.

Councilman Kennedy stated that the April estimate was prior to adding the boat trailer parking, which was a compromise cost of approximately \$500,000. Councilman Edinger stated that when the project was originally discussed it was stated that LCDC would fund the project. He believes that they should fund the whole thing; however, when this was presented a year ago a lot of amenities were there that the people who were in favor of it would want. He believes LCDC should pick up the extra costs. Mrs. Gabriel believes that LCDC is willing to make sure the project is what it should be and that their line of credit is around \$16,000,000, which would accommodate what the city would be asking them to fund. This would mean there would be no other project within that district in the near future; however, as more development comes into the district, they may be able to fund projects before it closes in 2021. Councilman Kennedy agreed with Councilman Edinger that LCDC was formed for this purpose and the City should go back to them for funding. Additionally he would like to find ways to skinny down the cost of the City funded projects and that the parking underground is an inspired option and believes twenty years from now more parking will be needed. Councilman Goodlander stated that she can't speak for LCDC but will speak as a councilman, and that she concurs with Councilman Kennedy. She believes it is important to complete the park properly and that LCDC as a funding mechanism is important. Councilman Adams liked what Mr. McNeil had to say this evening and agrees that LCDC should provide funding and the City should get a commitment from them. He does not support the funding from the City. At this point the park should be completed, and he likes the 90% proposal and believes it will be a wonderful park, but concessions are needed based on funding and the City should go back to the drawing board.

Motion by Edinger, seconded by Adams to delay discussion on funding and design until LCDC makes a decision on the amount they are willing to fund.

**DISCUSSION:** Councilman Gookin objects to LCDC funding the project as he doesn't believe it is within the purview of the urban renewal code. A bond election would be an option to fund the park and would show community support. He objects to the use of next year's overlay funding. Additionally, after reading LCDC documents, it was stated that LCDC was developed to help revitalize downtown and that the park was included in helping downtown.

**RECESS:** The Mayor called for a 5-minute recess at 9:59 p.m. The meeting resumed at 10:04 p.m.

Councilman Goodlander has concerns with the motion due to the timeline that would put us a minimum of three weeks behind on getting bids out, so she would be opposed to the motion. Mr. Tymesen stated that the timeline is quite tight and one variable may be that bids may come in lower than engineer estimates. He would propose that the Council review the proposed costs, and hope to save money on the engineer's estimate and get funding from LCDC. Additionally he would recommend clarification that any savings would come to the City. Councilman Goodlander asked Councilman Edinger to withdraw or revise the motion to add the contingency that discussions be delayed only if LCDC doesn't provide funding and to add that the savings would come to the City.

Councilman Edinger stated that bonding would have been a great thing if we could have done it in the past, like the public vote. He further stated that this is a big expense and he is leery that unless there is a commitment from LCDC, that things would go ahead without the City Council having input on it. He stated that he will keep his motion as is. Councilman Adams stated that he agrees with Councilman Gookin and wishes there wasn't such a thing as urban renewal. Councilman Gookin stated that his thoughts have been that if the city wanted to do a world class park it could sell it to the community for a bond. He believes that the community would support the construction of a stadium on 15<sup>th</sup> Street and another boat launch; however, it wouldn't be done by November.

Mayor Bloem stated that she doesn't think it is fair to go to LCDC for a commitment without a commitment from the City to pay for the \$1.3 million in additions not related to the park. Additionally, she stated that no street in our city has been delayed as long as Front Avenue for needed improvements. In regard to the Parks Capital Fund, she believes if the City wants a world class park, it will need to use two years of Parks capital funds. The City started with a vision and a lot of the public wanted a price tag, so a price tag was put on a concept and that was \$27,000,000, and now the costs have come in under that. Councilman Edinger clarified that his motion was to stop discussions tonight until after the City hears back from LCDC. He wants to hear if LCDC is willing to put funds toward their top priority project and the City Council could discuss it again in two weeks.

**ROLL CALL:** Kennedy No; Edinger Aye; Goodlander No; Adams Aye; Gookin No; McEvers No. Motion failed.

Motion by Kennedy, seconded by Goodlander to adopt the cost funding approach presented, contingent upon LCDC's increased participation, and that any savings come to the City and the City continue to seek ways to lower costs.

**ROLL CALL:** Kennedy Aye; Edinger No; Goodlander Aye; Adams No; Gookin No; McEvers Aye. Motion carried with the Mayor's tie-breaking vote in the affirmative.

Councilman Gookin asked when the City Council will discuss Mr. Montandan's curb cut. Mrs. Gabriel stated that it should not be a part of the LID discussion; however, staff is prepared to discuss that tonight.

Motion by Kennedy, seconded by Gookin to move the LID public hearing item forward. Motion carried.

**PUBLIC HEARING: CREATION OF LOCAL IMPROVEMENT DISTRICT NO. 151-FRONT AVENUE IMPROVEMENTS:**

Mr. Boyd stated that the purpose of the hearing tonight is to review LID 151 funding options for different per front foot costs, and review any protest to the LID that have been received. This is step three out of four in the LID process. As previously presented, the cost breakdown is 31% in the LID and 69% to the city. The Front Avenue project includes the area between right-of-way lines and no costs within the park are included in the LID. The geographic area of the LID includes Front Avenue from 2<sup>nd</sup> through 7<sup>th</sup> streets, including north bound to the alleyways. Mr. Boyd presented the proposed scenario at \$400/front foot with additional scenario's 1 and 2. Scenario 1 at \$350/front foot and scenario 2 at \$300/front foot. Councilman Kennedy asked about \$275/front foot and what features or amenities would need to be pulled out to accomplish the reduction. Mr. Boyd stated that we would need to change the scope of work or find additional funding sources to cover that reduction. He stated that a large impact would be the removal of colored concrete at intersections.

Ms. Quade clarified that this is the public hearing time allotted for property owners who are to be assessed to provide a protest to the City Clerk in written form, which will be considered at the January 15<sup>th</sup> hearing. Five protests have been received by the City; Rick Buus, Gary Johnson, Steve Wydmyer, Gordon Scott, and Casey Nault. Ms. Quade stated that testimony can be taken without a written protest, and that verbal comments can be taken by non-property owners; however, the City Council should only take under consideration property owners, and further clarified that no decisions will be made this evening.

**PUBLIC COMMENTS:**

John Montandan, 1010 Sherman Avenue, stated that he is the owner of the Roxy building and has been told he would not have a curb cut and believes he should be grandfathered in for a curb cut. He would be opposed to the LID if he does not get a curb cut. He was told the curb cut would affect the parking garage. He needs the curb cut because he has no other vehicular access to the building. His tenant has stated they will have to move if a curb cut is not allowed.

Councilman Gookin asked if the City Council is to consider the design aspect to the LID when considering protests. Ms. Quade stated that due to the fact that this is oral and it is not related to the assessment, it would not be considered a protest for consideration. She stated that the LID is not the cause of the denial of the curb cut although the City Council can consider this regarding the final design and/or his property benefit costs but it is not a protest. Councilman Gookin stated that the curb cut was also mentioned in the protest from CDA Mines. Ms. Quade stated that they can't protest the LID based on a curb cut, the protest should relate to the assessment and benefits derived. Mayor Bloem stated that the LID is not taking away the curb cut, it is the design. Councilman Edinger asked for clarification as to when the City Council will be making

the design determinations. Mrs. Gabriel stated that the design discussion is a separate discussion and suggested that the City Council complete the hearing, and then begin discussion regarding the curb cuts.

Steve Meyer, 700 W. Ironwood Drive, stated he owns two parcels along 4<sup>th</sup> and 5<sup>th</sup> and has had good discussions with the city regarding the removal of approaches for his parcels. He is in favor of the park and the LID. The question is how much money should be charged and he feels that there is not enough detail to make decisions regarding costs. The \$400/front foot is approximately 1-2 years of rent from the building. The amenities become part of their support of the community. The \$300/front foot seems a more fair number and he would urge the City Council to approve the LID at a lower cost. He stated that when site plans are approved, for the most part, it is a permanent understanding that approaches are given; however, he agrees with the park project and believes this to be a part of the price of progress. Councilman Kennedy disclosed that he is a minority partner and an employee for a business also owned by Steve Meyer that is unrelated to the Front Avenue property in discussion. Mr. Gridley stated that due to no personal or financial benefit to Councilman Kennedy, there would not be a conflict. Steve Meyer stated that another thing to consider is that the City would not take away sewer or water lines from a site after they had been put in place, so the City should be cautious about removing approaches.

Art Flagen 601 Front Avenue, attended the meeting held regarding the LID. John Barlow presented the engineers estimate from 2005 or 2008, which was approximately \$80.00/front foot and it now seems the property owners are paying for a part of the park.

Councilman Kennedy stated that the document referred to was included in another protest and the project costs at that time were approximately \$490,000. City Engineer Gordon Dobler stated that the current costs are approximately \$1.2 million as opposed to a \$500,000 project. He clarified that the LID does not include anything in the park and it does include more than the \$500,000 project. The street portion has changed to include lighting, more landscaping, street trees, irrigation, storm sewer enhancements, curbing reconstruction, sidewalk reconstruction, and complete base removal.

Jim Stately, 601 Front Avenue, stated that there are 22 floors in the Parkside building -- 53 individual residents, five floors of commercial, and three floors of parking. He stated that he is in favor of the LID and the method of funding through perceived benefit. He questions how it was determined that each unit's assessment is over \$2,000 when the entire infrastructure has been done, including the curbs, sewer, and water to the alley. He believes that the on street improvements were already paid through "pass through" funding, meaning when the developer is required to do these improvements the purchaser pays for it, so the owners in the building have already paid. The only improvement that needs to be done from 6<sup>th</sup> to 7<sup>th</sup> is the asphalt -- the rest is done.

Testimony was closed and Ms. Quade clarified that the City Council will make action motions at the next City Council meeting.

Motion by McEvers, seconded by Adams to discuss the Front Avenue design curb cut issues.  
Motion Carried.

Councilman Kennedy clarified with legal counsel that he did not have a conflict of interest and could continue to be a party to the discussion. Mr. Gridley concurred that he did not have a conflict of interest.

Ms. Gabriel stated that the impact of putting curb cuts back, specifically at Mr. Montandan's property location, includes the safety of backing across sidewalks. Additionally, if you allow one, all property owners would likely seek to keep their curb cuts. There is an issue with the ventilation shaft going down into the parking structure. The ventilation shaft system runs along the entire Front Avenue corridor and, as designed, allows the avoidance of a mechanically designed system, which would cause additional costs and regulations be implemented. Some additional regulations would include a fully sprinklered garage and enclosed staircase. The design is intended to be pedestrian friendly, and parking/driving through the sidewalk area is not pedestrian friendly. Mrs. Gabriel presented photographs of the Montandan property and access areas. There were concerns expressed that loading zones aren't affected as they are not enforced -- this could be remedied by high priority enforcement. Mr. Boyd explained the design including tree placements and proposed loading zones. In a normal parking lot, one would pull through. The Montandan spot causes one to park on the sidewalk for loading and unloading.

Mr. Boyd stated that the Coeur building is within the lot line without any parking. The parking lot is owned by KXLY. The access to the parking lot would still be accessible via 5<sup>th</sup> Street. If the City Council were to consider keeping the approach, design issues would occur for the on-street parking. If an SUV were parked on street the car exiting the Coeur lot would need to pull into the lane of travel in order to see oncoming traffic. Additionally, this would probably cause the removal of five diagonal parking spaces. Councilman McEvers asked if the owner would have to pay to re-stripe their parking lots. Mr. Boyd confirmed that it would be the owners cost. Additionally, Mr. Boyd stated that it is important for the City Council to have a 75-year view of use and consider what is best for all citizens. Councilman Goodlander clarified that they do have access through the back side and wondered if the drive through gets used. Mr. Boyd stated that he has no statistics on the drive through use. Councilman Kennedy stated that the Coeur protest states that this is their sole access and that if you don't take the easement under consideration that would be true. Mr. Boyd stated that they would have access to pedestrians but not vehicular access.

The design team worked hard to mitigate the removal of approaches for the Meyer property (Bank of America). The approach closest to the building would have caused issues with the ventilation, landscaping, etc. In order to remove the second approach, it would create substantial cost to reorganize parking lots. If the property use were to change later, it would be nice to remove the access point on Front Avenue; however, with the current use there were no other options for removal.

Councilman Gookin asked if parking on the sidewalk is illegal and how is it policed. Mrs. Gabriel stated that parking tickets are issued and that it is enforced. She stated that a recommendation to help mitigate the removal of the approach at the Montandan property is to

heavily enforce the loading zones. Mayor Bloem stated that the loading zone on 4<sup>th</sup> Street is not signed and not recognizable as a loading zone, so it will need to be signed and enforced as well.

Councilman Kennedy asked about the ventilation system and how they are different from the ones in New York City. Mr. Boyd stated that there are grates similar to what you see in other cities. The grates are part of an overall analysis of how air flows through the corridor and garage and the proposed system is the ideal configuration approved by the building division. If changes are made to the system, it would require a mechanical system be installed, which the design team is trying to avoid.

Councilman McEvers asked if the approach at the bank is one way. Mr. Boyd confirmed that it was with exits allowed onto 4<sup>th</sup> Street or the alley. The City gave up three diagonal spots on the street to accommodate that approach. Councilman McEvers asked why this wouldn't work at the Coeur building. Mr. Boyd stated that it would be an alternative, if the Council determined it was necessary.

Councilman Goodlander questioned the removal of the approach at the Coeur building. Mr. Boyd clarified that it would cause an issue with removal of grates and that the grates run the entire length of the block along the curb line, 4' wide. Councilman McEvers questioned why vehicles can't drive over the grates at the access point. Mr. Boyd stated he didn't know if they were rated for vehicle weight; however, it would cause an issue with items on vehicle tires, etc., to drop on cars parked below; or you don't allow parking below, thus losing stalls.

Mr. Gridley stated the government has the right to take the curb cuts away; the question becomes whether or not it is compensable. The Court would look at whether there is a need to take them away and if it is the only property access and if it is an overreaching impact to the property. The Coeur property has access to 5<sup>th</sup> Street, so it is probably not a taking; it is fact specific to each property. As long as there is a reason that is not arbitrary and capricious for removing the approach and they have other access it is probably not compensable. Court has recognized sight distance and public safety is important for the public good.

Councilman Gookin asked for clarification as to when this item will come before the City Council for determination. Mrs. Gabriel stated that it will be on the Council agenda in two weeks from today and at that time she will provide the Council with the costs associated with any changes in design associated with allowing access off Front Avenue.

#### **PUBLIC HEARING: WATER RATE/FEES:**

Water Superintendent Jim Markley presented the water system comprehensive plan update and new water rate capitalization fees and introduced his consultants: Steve James of JUB Engineers and Angie Sanchez from the SCS Group. Mr. James stated that the previous comprehensive plan was completed in 1999, and most improvements have been completed. He described what was going on with the system and what will be needed over the next 20 years. The plan includes a five year capital improvement plan and a rate structure to ensure the city's capability to pay for the needed projects. The service boundary was established through contact with the Fire and Wastewater Departments and explained that it does not quite reach the area of city impact. Capital improvements included supply, storage, and distribution improvements. Supply improvements



include new drill sites at the northern part of town. He reported the distribution system is in good shape; it does need some upsizing in the center of town, then the system from the new tank. Booster stations include two improvements, Elm Street and Armstrong.

Ms. Sanchez gave a brief update regarding the financial plan with the goal of a rate strategy and balanced impact to the customers. The immediate 6-year plan demonstrates a funding gap beginning in 2013/2014 that would increase with existing rate levels up to \$1.1 million by 2017. In order to fund that gap, Ms. Sanchez recommended a 2.5% increase in 2013, an a 4.9% increase in years 2014-2018. She stated that the city is within and lower than area averages. Cap fees are a one-time charge with the intent for growth to pay for growth. The proposal is to increase rates of a 6 year period of time rather than a one-time large increase.

Councilman Kennedy asked how confident they are that the numbers and assumption are good over the next five years. Mr. James stated that they assume that 2% growth would continue throughout the plan, and if growth were to slow there would be less improvements needed and if there were more growth improvements would be needed sooner. Ms. Sanchez clarified that 3.19% is added each year for construction cost impacts, which would be close to bid amounts. Councilman McEvers asked if conservation efforts had an impact on the study. Mr. James stated conservation efforts have delayed the need for new wells and there is an overall decrease in per capita demand, and it may continue to decrease over time. Councilman Edinger questioned how the city fees compare to other areas. Mr. Markley stated that the rates and cap fee at the low end compared to those within 50 miles.

#### **RESOLUTION 13-004**

**A RESOLUTION OF THE CITY OF COEUR D'ALENE, KOOTENAI COUNTY, IDAHO AMENDING THE RULES AND REGULATIONS OF THE COEUR D'ALENE WATER DEPARTMENT AS TO RATES, SCHEDULES AND CHARGES.**

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

Motion by Kennedy, seconded by Goodlander to adopt Resolution 13-004.

**DISCUSSION:** Councilman Adams stated that he met with Mr. Markley and believes that some components of the plan don't warrant the full increase, he would prefer asking for a lesser percentage increase, i.e. 10% total over the next 6 years as the current request includes growth, potential upgrades, and a 5% increase in wages and benefits each year. Mr. Markley clarified that the Water Department does complete approximately 1.5 miles of pipe each year. Councilman Adams stated that there is a surplus currently in that fund.

Motion to amend the motion by Adams, seconded by Gookin to raise rates to 10% rather than the recommended 30%.

Councilman McEvers stated that water is important and that the city has a great system because we continue to reinvest in the system. He believes that due to the last rate study, needed maintenance and improvements were done providing the city with efficiencies. He believes that this is the right

direction. Councilman Gookin read through the report and believes that some items should be development driven, not paid for by the rate payers, such as the booster at Armstrong Park and the replacement of existing well houses. He stated that the city needs to better maintain what it has rather than buy new. He believes that having low water rates is a plus for relocation, and that the economic outlook for the area includes a retired population on a fixed income. He believes with a lower increase the city could continue to have an affordable system and he would support the amendment.

Councilman Kennedy believes that this study represents a way to do things in a measured fashion and that the Council sets up a future Council to not have to increase the rate substantially in 7 years. Based on past practices, the city has a great system. The cap fees are bore by future developers, and smaller increases over time rather than one large increase in the future is preferable, so he supports the original proposal.

Councilman Edinger asked what effect a 10% increase would have on the system. Mr. Markley stated that it causes the reserves to be depleted at some point, and then a bigger increase would be needed in 6 years. The goal of the study was to keep it uniform and as small as it could be over time without a large increase to the rate payers in one sweep.

**ROLL CALL ON MAIN MOTION AS AMENDED:** Adams Aye; McEvers No; Goodlander No; Gookin Aye; Kennedy No; Edinger No. Motion failed

Councilman Goodlander questioned if there were some point they could review the annual percentage increase and take less than proposed if during the 6 year term revenues exceed the capital project needs. Mr. Markley stated that at the annual budget appropriation, the city reviews how much reserves we have and what projects are planned for the year. In order for that to occur, assumptions would have to be way off. Councilman Edinger asked for verification if there were a 5% wages included in the study. Mr. Markley stated that the study included past performance and some of the assumptions included wages, benefits, PERSI, etc. Ms. Sanchez stated that benefits trends are at 10% - 15%, so it does balance out. Mr. James stated that they are trying to set a budget to have enough revenue to cover expenses.

**ROLL CALL ON MAIN MOTION:** Adams No; McEvers Aye; Goodlander Aye; Gookin No; Kennedy Aye; Edinger Aye. Motion carried.

**ADJOURNMENT:** Motion by Goodlander, seconded by Adams to recess to January 10, 2013 at noon in the Old Council Chambers in City Hall and then to January 14, 2013 at noon in the Coeur d'Alene Library Community Room for a Special Call Council meeting for the Appeal of the Design Review Commission Decision re: One Lakeside Project.  
Motion carried

The meeting recessed at 12:21 a.m.

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Sandi Bloem, Mayor

ATTEST:

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Renata McLeod,  
City Clerk