

# MINUTES

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**McCall City Council  
Regular Meeting  
Idaho First Bank -- Community Room  
February 12, 2015**

Call to Order and Roll Call  
Approve the Agenda  
Reports  
Pledge of Allegiance  
Public Hearing  
Public Comment  
Business Agenda  
Consent Agenda  
Executive Session  
Open Session  
Adjournment

## CALL TO ORDER AND ROLL CALL

**Mayor Aymon called the regular meeting of the McCall City Council to order at 5:35 p.m. Mayor Aymon, Councilor Giles, Councilor Scott, Councilor Swanson, and Councilor Witte all answered roll call.**

City staff members present were Gene Drabinski, City Manager, Bill Nichols, City Attorney; Linda Stokes, City Treasurer; Dennis Coyle, Parks and Recreation Director; Peter Borner, Public Works Director; Traci Malvich, HR Manager; Nathan Coyle, Airport Manager; David Simmonds, Information System Manager; Meg Lojek, Library Director; Justin Williams, Police Chief; Michelle Groenevelt, Community Development Director; Erin Roper, Communications Coordinator; Nathan Stewart, City Engineer; Cynthia Peacock, Permit Technician; John Powell, Building Official; Garrett Mapp, GIS Analyst; Carol Coyle, Grant Coordinator; and BessieJo Wagner, City Clerk.

## APPROVE THE AGENDA

**Councilor Witte moved to approve the amended agenda as submitted. Councilor Swanson seconded the motion. In a voice vote all members voted aye and the motion carried.**

## REPORTS

### Department Reports

Delta James, City Planner, was asked about the Call to Artists for the Alpine Playhouse. The call was open to artists in Oregon, Washington, and Idaho due to the sophisticated opportunity. There have been 10 responses but none from Valley County. The grant requires artists experienced in public art.

John Powell, Building Inspector, was asked about the spatial needs for the Treasure Valley Transit Center on the Campus Plan. There have been preliminary talks about the size of the building, but he will learn more next week.

Michelle Groenevelt, Community Development Director, gave an update about design options for the Transit Center and the process to come. Planning for the Mountain Town and Resort Planning Summit is going well. There are more people signing up every day, coming from all over the United States and Canada. Mayor Aymon asked Ms. Groenevelt to let the Council know when there would be an opportunity to participate in the summit. The Council could possibly attend Thursday night of the conference.

Dennis Coyle gave an update on the McCall Mall screening project.

Eric McCormick, Golf Course Superintendent, gave an update on events during the Winter Carnival. The snowbike race was a popular event.

Meg Lojek, Library Director, reported there were 2,300 visits to the Library in January.

Dennis Coyle, Parks and Director, explained the work done on a youth project for Riverfront Park. Councilor Witte asked Mr. Coyle about the concussion policy, which came about as the result of a recreation conference last fall.

Justin Williams, Police Chief, said they have still not filled the Code Enforcement position. Officers are dealing with code enforcement issues as complaints come in. They have an applicant in the final stages of interview. Chief Williams also gave an update about the Winter Carnival. Most issues were alcohol-related.

Mayor Aymon asked Peter Borner, Public Works Director, about the status of out-of-compliance developments. He said that they are still working on that. They should have better numbers as the rate study progresses. Lift Station 7 is almost done. The river crossing is complete and they are backfilling the hole and removing piles. This may be completed by March 15. Mayor Aymon asked about results of the analysis for Park Street reconstruction. Mr. Borner replied that the analysis showed that staff could be used, yet it would be difficult to coordinate the work with private contractors. Also, maintenance work is not getting done while they are working on bigger projects. Mr. Borner recommended that the Streets Department be allowed to do maintenance and use contractors for the large projects. So far it has been a difficult winter weather-wise. Pothole season is early. Councilor Witte asked about complaints regarding snow removal. Mr. Borner replied that there has been a variety of complaints regarding snow removal. Councilor Swanson asked if there will be a Pothole Hotline this year. Public Works will have it operational soon. City Manager Gene Drabinski added that he is collecting pictures of potholes to use for an upcoming public campaign.

Nate Coyle, Special Projects Manager, gave an update on the status of the rate study.

BessieJo Wagner, City Clerk, stated that LOT numbers look very promising this month.

### **AB 15-25 Community Development Annual Report to Council**

Michelle Groenevelt, Community Development Director, gave an annual report on the Community Development Department. She began with explaining the various responsibilities of the Community Development Department such as planning, issuing building permits, writing grants, and GIS mapping. In 2014 they issued 170 building permits, received 86 land use applications, and brought in \$331,486 in grants. Ms. Groenevelt introduced members of the Community Development staff.

### **COMMITTEE MINUTES**

Council was provided with the following committee minutes:

1. Airport Advisory Committee – December 4, 2014
2. Golf Advisory Committee – November 12, 2014
3. Library Board of Trustees – December 16, 2014
4. McCall Improvement Committee – November 13, 2014
5. McCall Improvement Committee – December 11, 2014
6. McCall Redevelopment Agency – November 18, 2014
7. Planning & Zoning Commission – December 2, 2014
8. Planning & Zoning Commission – January 6, 2015
9. Public Art Advisory Committee – November 5, 2014
10. Tree Advisory Committee – November 6, 2014
11. Tree Advisory Committee – December 4, 2014

Councilor Witte asked about the status of the Golf Survey. Erin Roper, Communications Coordinator, replied that the Golf Course Survey went out February 11, 2015 to the golf course general mailing list including the Ladies' and Men's Associations. The survey will also be open to the community at a later time. The survey will cover operations of the course, pro shop, restaurant, and will also collect general feedback.

**Mayor Aymon led the audience in the Pledge of Allegiance at 6:15 p.m.**

### **PUBLIC HEARING**

#### **AB 15-17 Accessory Dwelling Units Ordinance adoption: Amendment to Title 3, Chapters 3 and 16 to remove Conditional Use Permit requirement and clarify Design Review requirement**

Delta James, City Planner, presented the above code amendment to Council, stating that the intent is to provide additional housing options within the community. She stated that this amendment removes the CUP requirement to create accessory dwelling units (ADUs), thus reducing the timeline for permitting to a one-step design review process that goes directly to Planning and Zoning and would typically take about six weeks.

Councilor Scott asked if the permit was still needed for dwellings in excess of 1,500 square feet. Ms. James replied that the permit was still required for accessory structures in excess of 1,500 square feet but not for an attached dwelling unit.

Councilor Witte asked how the idea came about. Ms. James replied that the primary reason is to make the permitting process easier so that additional housing units can be created.

**Mayor Aymon opened the public hearing for Accessory Dwelling Units Ordinance adoption: Amendment to Title 3, Chapters 3 and 16 to remove Conditional Use Permit requirement and clarify Design Review requirement at 6:20 p.m.**

Wayne Ruemmele, a McCall resident at 1055 Fireweed and architect, stated that he and other architects who were present at the Planning and Zoning meeting were in support of the proposal. He felt there was a benefit to homeowners as it reduces the cost of creating an accessory dwelling unit and streamlines the process.

Councilor Witte expressed concern with regard to having duplexes in R4 residential-zoned areas as it doubles the housing density. She felt like duplexes in R4 would change the character of the neighborhood, which is the reason for having a conditional use permit. Ms. James responded that the constraining factors are still there through the design review process and general development standards in terms of the amount allowed on any residential lot in lot coverage calculations, setbacks, height limitations, and all those things remain the same. Councilor Witte commented that she lives in an R4-zoned neighborhood and if there were to be duplexes in her area it would change the feel of the neighborhood, so she was not totally in support of the proposal.

Michelle Groenevelt, Community Development Director, stated that one thing about R4 is the minimum property size is 10,000 square feet, and as Ms. James said, any of these projects would still have to meet development standards, but there are also R4 properties that are actually much larger than that, so there might be a half acre and an acre that is also zoned R4, so it depends on the individual property. She added that accessory dwelling units occurred prior to 2006, although they were not technically permitted. In the 2006 Code update they were added and legitimized and part of that was being able to add more density and more units within the City of McCall, especially given the light of the affordable housing situation then.

Councilor Swanson thought it was well thought out and supported by the design community, so he supported it as well. Councilor Scott agreed there was a valid point about the R4 zoning, but it is going to be a huge detriment if most of the city still requires a conditional use permit.

Ms. Groenevelt responded that she has heard from the development community that in Lick Creek Meadows there was a number of duplexes that were approved and they actually came back through the process and were converted to townhomes due to the difficult of obtaining financing. Since that she does not recall seeing any new duplexes.

Ms. James added that it is difficult to differentiate between a duplex and a primary residence with an accessory dwelling unit. There have not been any new duplexes but there have been new accessory dwelling units built each year. The design community recognizes the need for guest quarters on properties that have a primary residence. Sometimes those guest quarters will warrant a full kitchen, which is the defining aspect of a dwelling unit. That enables it to be rented as a separate dwelling versus a place to sleep for guests.

Councilor Giles stated he was in acceptance of the proposal. Mayor Aymon stated that she herself lives in an accessory dwelling unit and is in favor.

**Hearing no further comments, Mayor Aymon closed the Public Hearing.**

**Councilor Swanson moved to Suspend the rules, read by title only, one time only, Ordinance No. 931, amending Title 3, Chapter 3 and Chapter 16. Councilor Scott seconded the motion. In a roll call vote Councilor Swanson, Councilor Scott, Mayor Aymon, and Councilor Giles voted aye, Councilor Witte voted no, and the motion carried.**

Ordinance No. 931 was ready by title only, one time only, by BessieJo Wagner, City Clerk:

An Ordinance Of The City Of McCall, A Municipal Corporation Of The State Of Idaho, Valley County, Idaho Amending McCall City Code Title 3 Chapters 3 And 16; Amending Section 3.3.02 *Table* Residential Use Regulations To Remove The Requirement That Accessory And Two-Family Dwellings Obtain A Conditional Use Permit And Permitting Accessory And Two-Family Dwellings In All Residential Zones; Amending Section 3.16.02 To Require Design Review Approval For Residential Projects Of Two (2) Or More Units; And Providing An Effective Date.

**Councilor Swanson moved to Adopt Ordinance No. 931, amending Title 3, Chapter 3 and Chapter 16, approve the publication of the summary, and authorize the Mayor to sign all necessary documents. Councilor Scott seconded the motion. In a roll call vote Councilor Swanson, Councilor Scott, Mayor Aymon, and Councilor Giles voted aye, Councilor Witte voted no, and the motion carried.**

## **PUBLIC COMMENT**

Mayor Aymon called for public comment at 6:30 p.m.

Hearing no comments, Mayor Aymon closed the public comment period.

## **BUSINESS AGENDA**

### **AB 15-18 Environmental Advisory Committee Member Appointment request – Steve Goodall**

The Environmental Advisory Committee has recommended Steve Goodall be appointed to the Environmental Advisory Committee. Mr. Goodall has submitted a letter of interest. This approval will fill all vacancies on the committee.

**Councilor Giles moved to Appoint Steve Goodall to the Environmental Advisory Committee for a term of three years to expire February 26, 2018. Councilor Swanson seconded the motion. In a voice vote, all voted aye and the motion carried.**

### **AB 15-20 Airport Advisory Committee Membership Reappointment request – Mark Thorien**

The Airport Advisory Committee, on behalf of Nate Coyle, Airport Manager, has requested that Mark Thorien be reappointed to the Airport Advisory Committee for a three-year term effective March 1, 2015. Mr. Thorien has submitted a letter of interest.

Councilor Witte asked if positions are advertised when a term expires. Mr. Coyle responded that in the case of a reappointment instead of an open position, when the committee member wishes to continue their service, they generally do not advertise. Councilor Witte expressed her opinion that she would prefer to advertise for an open position to attract new members.

**Councilor Scott moved to reappoint Mark Thorien to the McCall Airport Advisory Committee for a three-year term effective March 1, 2015. Councilor Swanson seconded the motion. In a voice vote, all voted aye and the motion carried.**

**AB 15-12 Commitment of long term lease for potential affordable housing and community space – City Campus – Public Comment**

Gene Drabinski, City Manager, began the presentation by acknowledging the many in attendance. He asked that people focus on ideas and not personal attacks against the people presenting their opinions.

Michelle Groenevelt, Community Development Director, presented the request for a Conditional Letter of Commitment supporting a new development that would be built near where the Senior Center was currently located. She stated that the proposal was for a long-term lease of the western portion of the City campus located along First Street and the bike path. She stated that it is anticipated to be about a half acre that would be leased.

Ms. Groenevelt gave an overview of the planned development and campus. The proposal outlined 32 units of affordable apartments, four market-rate units, and a new 4700-square-foot senior center that could also be utilized as a community space.

Ms. Groenevelt outlined the requirements that would have to be met in accordance with the Letter of Commitment. She stated that there would be tax credits granted for the project, and then the financing would come through. She stated that then all of the land use and site planning would be approved, and would go through the design review process. She stated that then there would be a mutually agreed-upon lease agreement. Ms. Groenevelt stated that the developer would also assist the seniors in finding a temporary space while the new project was under construction. She stated that there would be a minimum of a 4,700-square-foot new space for the Seniors and community groups. Ms. Groenevelt clarified that the Letter of Commitment would be non-binding; meaning, if for some reason the City and the development team and the community could not reach a mutually-agreed-upon lease agreement or a design, the City was under no obligation to follow through with the project.

Ms. Groenevelt then presented the timeline stating that this was the fourth meeting on the Letter of Commitment. She stated that if the Council decided to approve the Conditional Letter of Commitment, the development team would get notification of award in April, and that would start an intensive public process of engaging the neighborhood and the Seniors in the specifics of the project. She stated that if the Letter were to be approved, the units would not be available for essentially two years.

Ms. Groenevelt then discussed the intent behind creating affordable housing. She pointed out that a market study showed that 50% of the community would actually income-qualify for the proposed housing. Ms. Groenevelt stated that the people who could live there would be people in the recreation and tourism industry, service industry, Forest Service, small businesses, even

police officers, or construction laborers. She stated that interestingly, 57% of City employees would income-qualify for this housing.

Ms. Groenevelt then explained why this particular site was selected stating that it was the only city-owned property large enough to accommodate the density and is properly zoned. Also, she stated that the community space within the project would be a suitable replacement for the Senior Citizen Center, which is aging and in need of constant repair.

Ms. Groenevelt responded to questions about economic gain the City would receive from the project stating that the City would receive an estimated \$250K and \$300K in development reviews and permit fees, somewhere between \$10 and \$15K in water and sewer usage, and around \$11,500 in annual property taxes to the City, not including the other taxing districts. She stated that in contrast, there are fixed costs to the city that would go away with the new development. She explained that the City owns the Senior Center building and leases it to them basically free of charge. They maintain the inside and pay the utilities and the City maintains the outside, which, on average, is about \$10K a year. Ms. Groenevelt stated that there are a number of improvements that need to be done to the building and it is questionable how much money the City wants to pour into it, with an estimate of \$75K in the next five years to protect the building envelope. She also pointed out that the parking area is undeveloped and has annual maintenance costs for dust abatement and gravel.

Ms. Groenevelt continued, stating that the City has been considering this issue for the last 10 years, which is well-documented and well-vetted in many planning documents. She stated that the McCall Area Comprehensive Plan actually has 16 pages of references to affordable housing within it and an entire chapter dedicated to it. Within the last year the Downtown Master Plan was updated and it also has a number of pages in reference to this issue. She stated that Page 71 in the City's Comprehensive Plan states that the City will provide publicly owned land for community housing projects.

Ms. Groenevelt then presented the vision statement for McCall, which was developed by the community in 2007 and reaffirmed in 2014. This statement says McCall will be a diverse, small town, united to maintain a safe, clean, healthy, and attractive environment. It will be a friendly, progressive community that is affordable and sustainable. McCall's community character is defined by its environment, history, culture, and people.

Ms. Groenevelt informed the Council that a number of City Staff were present at the meeting to answer specific questions and asked for further questions from the Community.

### **Community Response**

Mayor Aymon asked for comments from those in the audience who did not speak at the last meeting.

Tabitha Martineau stated she was not in favor of affordable housing in the downtown area and especially that location.

Sherry Maupin spoke on behalf of the McCall Chamber of Commerce. The Board did vote on this issue but was unable to come to a consensus and therefore was taking a neutral position on the placement of the building. She did state that the Board was in favor of worker housing in the downtown area and would like to see more community residents downtown at night.

Harriet Heinrich-Byars spoke on behalf of the Order of Eastern Star Organization. She was in opposition to the proposal because they feared they would lose the Senior Center that they use for monthly meetings and one large annual meeting.

Dave Byars brought up the issue of snow storage in the winter if the parking lot is no longer available. He also mentioned that there is another housing project in the works this year and he was concerned that they would be competing for the same funding. Additionally, as Vice President of the Senior Center, he expressed his fear that the Senior Center would not have control over their meeting space and thus would not be able to perform all the various services that they do for the community. He also expressed concern over seniors having to park too far away from the building that it would make it impossible for them to attend the Senior Center.

Mr. Jenkins expressed concern over the high density of the apartments. He also stated his worry that the property would not have long-term ownership that might eventually drive out the Seniors. He also expressed concern about the residents' children eating at the Senior Center and the Seniors being able to support that.

Kilmeny Parker spoke in support of the development. She is a business owner and a single mother who came to McCall with very little money. She stated that in the last month she lost four employees who left because they could not afford to live in McCall. Others applied for those jobs but could not find a place to live. She expressed the desire to live downtown where people can bike or walk to get around and get to know others within the community.

Mary Nuckols talked about the original City Campus Plan and how this proposal differs from that original plan. She was concerned that if the City gives up this property for the development then they may end up paying more to expand into another area in the future.

Mr. Hayes asked about the zoning on this piece of property. Councilor Swanson answered that it is civic zoning and does not have any density defined.

John Alegria is a resident of Alpine Village. He stated that the City may need this land for something else in the future and that it should be kept open for expansion. He also expressed concern over the environment it would create and the type of tenants it would attract.

Gary Thompson spoke in favor of the development. He works for the University of Idaho McCall Outdoor Science School. He spends a great deal of time trying to find places for his employees to live. He noted that State employees are on a fixed pay scale and are very limited in the places they can afford to live.

Sara Wolf is a kindergarten teacher at Barbara Morgan Elementary School. She spoke in favor of the proposal because of the negative effect that difficult housing has on schoolchildren and their ability to learn. She expressed support for living in the downtown area so that children could walk to the park, to school, and to the store.

Craig Campbell is a business owner in McCall and is in favor of the project. He has lost several employees due to problems finding housing and others have had to drive from very long distances. He also stated that affordable housing should be a long-term goal as the need is very great, and the need will only increase with expansions of Midas Gold and Tamarack. He pointed

out that if this housing is built in Donnelly or Cascade instead, then businesses in that area are going to gain from the extra business.

Robert Kelly formerly lived in McCall and just recently returned five months ago. He has been unable to find housing since he arrived. He lives in a small hotel room and pays more than he would for renting a nice house in Boise. He voiced his support for the project, especially because of its central location being beneficial to residents who have transportation issues.

John Lund has been a member of the Senior Center for 15 years. He expressed concern that the Seniors would lose control of the building and that the developer or the manager would take over.

David Papiez is President of the Valley County Economic Development Council, who submitted a letter of support for this project. The Council's 2015 Strategic Plan incorporates housing as a focus project. Being that this project is categorized as affordable housing and it is located within the urban core of the City, it is very appealing to the Economic Development Council, so they are in support of the City executing the Conditional Letter of Commitment.

Ms. McFedries expressed her concern over the future of the Library if this development is built. She fears there will be no room to expand it someday.

Jean Odmark stated that the City should hold off on giving away the land as it could be worth much more someday.

Garth [last name unknown] stated he is in favor of development and for workforce housing. However, he stated he was against the idea that the City is negotiating this proposal directly with one developer, as no other developers were aware that the City is prepared to give up some land. He noted that the tax credits can actually be applied for in September, so this does not have to be decided right now.

George Poole stated that the City should keep the space for their own expansion someday. He also expressed his concern over parking. He thought the parking area was originally intended for all the downtown business to use (employees, overflow, etc.) and wondered if it should be kept available for that. Mr. Poole continued by summarizing the many programs that already take place at the Senior Center and the other community groups that use the Senior Center as well. He worried that the planned space would not be able to accommodate all those events that currently take place at the Senior Center.

Jo Ann Zimmerman expanded on some of the services offered at the Senior Center, such as Meals on Wheels and the Food Bank, and the standards that are required of the facility to perform these services. Also, they need parking for the volunteers and patrons involved in the programs.

Woody Woodson explained his involvement with the Senior Center. He stated that he travels frequently and he has never seen a Senior Center that is not a separate, autonomous building and that it probably does not exist.

George McFedries spoke against the project and questioned why the City would donate this land when a developer could potentially make a profit even if they had to buy the land.

Chance Hobbs followed with an introduction. He chronicled his experience in developing apartment complexes across the country. He moved to McCall 1-1/2 years ago and was frequently asked about housing and thus came up with the idea of building affordable housing in town. He expressed his feelings that people need to live downtown to keep the city atmosphere vibrant and alive in the evenings. He also stressed that he was a resident of McCall and not a stranger who would build the project and leave town.

Councilor Swanson asked if the project was locked into 36 units if it were approved tonight. Mr. Hobbs stated that the application with IHFA is very specific on how many units would be built, so the application could not be changed to a different number of units. That would be considered a significant change and the award credits would get taken away and awarded to another developer. Mr. Hobbs further explained that 36 units were proposed because that is required to be eligible for tax credits.

An audience member asked why this was not put out to bid. Mr. Hobbs stated that he is not completely sure. He saw the need and proposed it to the City. Anyone could have possibly done the same thing.

An audience member asked if Mr. Hobbs has done similar projects and asked for free land. He has done many different projects across the country. Some had free land, and some were paid for. In areas where construction costs are cheaper it was feasible to buy the land.

Another audience member asked that if a piece of land could be found that could be purchased, how much money can be spent for the land and how big would it have to be? Mr. Hobbs answered that it would require a 13,000-foot building footprint, not including parking, which would be about 1-1/2 acres. The costs depend on a model, however. This particular development has four market-rate units, which affect the financing structure. If land has to be purchased, it creates a deficit and the deal no longer becomes feasible.

Mr. Hobbs introduced Doug Crowther. Mr. Crowther explained their concept on affordable housing. The Springs has a program that is south of town and this development would be more urban. This would bring the tenants closer to the services that are provided downtown. Mr. Crowther stated that he cares about the long term future of McCall as he grew up here and has roots here. He emphasized that a great deal of care went into the proposal and it was not contrived by a bunch of greedy developers who would sell out and leave, which is not possible under this arrangement. They are committed to stay in this program for a minimum of 15 years.

An audience member asked if there were any other locations in town that came to mind and why this one was chosen. Mr. Hobbs stated that they looked for areas outside town and in other neighborhoods but could not find anything suitable. He liked this specific site based on how it was identified in the Campus Plans, Downtown Master Plan, and Comprehensive Plan and knew what the economic benefits would be to the downtown area long term, and that is why this site was selected.

An audience member asked what would happen if Mr. Hobbs did not get the Letter of Recommendation for this site? Is there another site planned? Mr. Hobbs explained the points scoring system of IHFA and that they would not be eligible for these points again for another four years.

Another audience member commented that they were all in agreement that they would like to see a project, just not in that location.

Mayor Aymon closed comment from the floor and asked for any further comments from the Council.

### **Questions from Council**

Councilor Witte asked to clarify the memo that stated there are three groups from Idaho that are putting in applications for the tax credit. She asked if Mr. Hobbs' company was funded would it mean that The Springs would not be funded in the same year. Mr. Hobbs responded that there would possibly be a tie-breaker based on cost-to-develop per square foot, but also that IHFA might award both deals and forward-allocate the funds. He further explained that if they were not willing to forward-allocate as much, IHFA might table whichever company did not win the tie-breaker. Mr. Hobbs stated that to fund both projects IHFA would have to forward-allocate approximately \$300K, which seems unlikely, especially with two developments being constructed in the same town.

Mayor Aymon asked if there is a difference between low income housing and affordable housing pertaining to the structure. Mr. Hobbs replied that there was not. He explained the three well-known programs in affordable housing. One is Section 8, which has heavy subsidies and the Federal Government subsidizes the monthly payment. Mr. Hobbs' project would be Section 42, which offers tax credits to developers that are based on 30 to 60% of area median income. The third is workforce housing, for larger municipalities, and that is 80 to 120% of area median income. Mr. Hobbs explained that in McCall the terms workforce and affordable housing are used interchangeably, because roughly 50% of the community workforce would qualify to live in an affordable or low income housing tax-credited development.

Mayor Aymon asked Garth [last name unknown] if The Timbers is Section 8, which he replied that The Timbers Apartments were not.

Mr. Hobbs addressed the question about what happens to the lease after 65 years. Currently he is requesting the term of 44 years with an option to extend at 21. He stated that in the event the City chooses not to extend the lease, then the property and improvements would revert back to ownership by the City at no further cost, and the city would be the owner/operator of the development if they chose to be. Mr. Hobbs clarified that most cities do not want to be in that position, so they continue to extend the lease as long as the property manager is in good standing.

Councilor Witte asked what Mr. Hobbs was referring to when he spoke of a 15-year commitment. Mr. Hobbs responded stating that under the low income housing tax credit program there is a 15-year initial compliance period. He explained that is when the IRS is most concerned about what is occurring at the property and making sure that rents are in compliance with IRS guidelines. Through IHFA the developer has the option to extend the affordability period for 44 years total, so that is where the 44-year number is coming from in the lease. He clarified that the additional 21-year option was from the tax attorneys requesting the 21 year option to meet IRS guidelines of ownership. Mr. Hobbs stated that there is a 15-year initial compliance period, but with a land use restriction of 44 years, minimum.

**Mayor Aymon then excused the Council for a short break at 8:25 p.m.**

**The Council reconvened at 8:30 p.m.**

The Council began deliberations with a straw poll.

Councilor Witte began the straw poll by stating that she initially supported the concept but that it deserved more consensus, and thus she would vote against it.

Councilor Swanson stated that he had also gone along the same "emotional roller coaster" as Councilor Witte. He acknowledged the need for affordable housing within the city and felt the civic zone would be a good use for this. However, he felt the Seniors deserved their own space as well. He also felt the project deserved more consensus from the community and was not in support of it.

Councilor Scott acknowledged the excellent points of the Council members. She had concerns about the Seniors being displaced for approximately 18 months and their ability to flourish in a shared building. She was also worried about parking during peak usage of the building. Her biggest concern was the idea of giving away a City asset to a for-profit developer, so thus she was not in favor of the project.

Councilor Giles was hopeful that the issues talked about during this meeting could be worked out in the next few months in the planning phase, and he would be in favor of this moving forward. He stated he had a lot of confidence in City Staff and the developer being willing to work out the issues discussed, and would vote to move forward with the conditional letter.

Mayor Aymon stated that it would be easy to vote this down and not rock the boat. She affirmed that Council's job is to look after the Community as a whole, which includes everyone -- kids, seniors, moms, dads, mechanics, grocery baggers, teachers, snowplow drivers, and parks crews. When considering the property behind City Hall, she realized that nothing new has happened in 30 years. Mayor Aymon stated that when someone came forward with the money and experience to fill a need, she thought it might be the beginning of revitalizing the downtown. She reassured the Council that this letter would not immediately saddle the City and a lot of issues could be worked out in the coming months and the City would remain in control of the project. She reminded the Council that this was an opportunity that may not present itself again in a long time. She also noted that, whether Council votes in favor or against the project, the need exists and the conversation has begun and will continue.

**Councilor Giles moved to approve the long-term lease commitment letter for affordable housing and community space on the City Campus and authorize the Mayor to sign all necessary documents. Mayor Aymon seconded the motion. In a roll call vote Councilor Giles and Mayor Aymon voted aye. Councilor Scott, Councilor Swanson, and Councilor Witte voted no and the motion failed.**

Mr. Hobbs thanked the City Council and Staff for their time involved and thanked the audience for coming.

**AB 15-24 Request for a Letter of Support to The Housing Company for Affordable Housing**

Kathryn AlMBERG from the Housing Company presented this request. The Housing Company owns and manages The Springs Apartments at the end of Jacob Street on Valley Springs Road. It opened in 2011 with 36 units. It remains full all the time with no vacancies. It won Idaho Smart Growth Award, Best Housing Project for 2011. It is a LEED Platinum Certified Development and is highly energy efficient. Valley County donated 7.15 acres of land and about half of that was used so far. The remaining land is between the north side of the existing property and the Food Bank and the Recycling Center, and at this time it will be used for Phase II of the project. Up to 88 units could be built on that site but the current proposal is to build 36 units at this time. The application was submitted today. Ms. AlMBERG requested to add a Letter of Support from the City of McCall. She also has a letter from the Mayor of Cascade and from the Valley County Commissioners as well. Because they are replicating the Phase I project the plans and specifications are done, which should speed up the project. If funding is approved, they hope to anticipate having units come online in the spring of 2016.

**Councilor Witte moved to authorize the Mayor to sign the letter of support to The Housing Company for Phase II of The Springs affordable housing complex. Councilor Giles seconded the motion. In a roll call vote Councilor Witte, Councilor Giles, Mayor Aymon, Councilor Scott, and Councilor Swanson all voted aye and the motion carried.**

**AB 15-21 Cooperative Operational Wastewater Treatment Agreement between the City of McCall and Payette Lakes Recreational Water and Sewer District – Work Session**

This was presented by Nate Coyle, Airport Manager and Special Projects Manager, and Peter Borner, Public Works Director. Mr. Coyle presented a draft cooperative operational wastewater treatment agreement between the City of McCall and Payette Lakes Recreational Water and Sewer District. The City had previously entered a Memorandum of Understanding (MOU) with the Sewer District. The MOU identified that later both parties would enter into a contract to handle services going forward no later than the end of February. The City of McCall was given the first opportunity, working with attorney Bill Gigray from White Peterson, to draft the contract. City Staff have already reviewed the contract and provided their comments and feedback into this draft, along with the District's attorney.

Mr. Coyle hopes to have this contract in place by the end of February. On February 18 this same draft agreement will be presented to the District Board. If discussions with the district on February 18 are successful, the contract would return back to the Council on February 26 for approval.

Mr. Coyle then summarized the key concepts of the contract, calling out specific items for discussion:

Section 4 - Treatment Operational Responsibilities. This outlines the City's responsibility for operating the treatment plant, the fact that the District is gaining operational control of the J-Ditch system for land application, and the District would have the responsibility for the care and maintenance of that system. The District also has the responsibility for maintaining leases (long-term contracts with landowners) with sufficient capacity to handle land application. The District and City have a proposed proportional capacity use share, so the City's percentage of the use of the system for effluent, as it is defined in the contract, relates to the proportional use capacity

share of expenses for maintenance, planned or emergency capital needs, and/or other improvements to the J-Ditch system, wastewater treatment plant, and infrastructure on District land.

Section 5 - Administrator Duties: A process was developed where there would be collaborative planning and operations between the City and the District. Both parties are working toward consolidation. Operational Cooperation is essentially information sharing of day-to-day operations, and also equally important, cross-training opportunities between the City and the District. This has a long-term importance as both parties move toward consolidation to have familiarity of operations and assure that is a seamless transition.

Mr. Coyle explained that there is a provision within the draft agreement that identifies the District as having responsibility for cross training that is conducted around land application. That provision came from their responsibility to hold the reuse permit, to ensure that they can comply with that as they see fit. The City has the responsibility to staff and license its employees appropriately. This may have been an issue in the past. Now the City needs to align substitute manpower performance with the opposing party.

Section 6 - Default and Dispute Resolution: A process has been staged to handle defaults and/or disputes that involves working with opposing parties, face-to-face communication, and involvement of an advisory group that is well-staffed to handle all the challenges to come in the near future. The advisory group will help when an issue is faced that impacts this agreement with the District. This advisory group is in place and is well postured to provide recommendations to both boards to overcome those issues. Stages 1 to 4 involve amending the operational agreement, getting individual feedback or direction from governing bodies, having a joint governing body meeting, and action for declaratory judgment.

Section 8 - Party Responsibilities: Includes adequate payment, licensure of employees, and insurance coverage of facilities employees.

Section 9 - Term and Duration: The agreement would terminate upon mutual request of parties or if the District detaches its sewer system from the City wastewater plant.

Mr. Coyle then entertained questions from the Council. Councilor Witte asked, with regard to the sharing of expenses, whether this would be based on the number of users or based on flow. Mr. Coyle responded that he would follow up and get an answer on that.

Councilor Witte asked about the JWAG Group being the first group that the parties go to when resolving disputes. She wanted to make sure this is consistent with the previous agreement involving the TAG Plan. Councilor Witte also inquired about the charter of the JWAG. She felt that the charter directed the group towards consolidation rather than discussion between parties. Mr. Coyle responded that there were two primary duties of the group, and the first was consolidation discussion, and the second was a broader statement to provide recommendations to each governing body for overcoming challenges prior to consolidation. He confirmed that this is not in conflict with the TAG Plan.

Councilor Swanson thought it captured the cooperative nature of the relationship that the City and the Sewer District have established with one another, and expressed that he was confident that it will indeed be a good working relationship.

Mayor Aymon asked if the cross-trained employees would need extra certification or credentials. Peter Borner, Public Works Director, responded not necessarily. He stated that they will need to be licensed appropriately. However, to work in land application, as long as there is a licensed operator that they are working under, then they are gaining that experience, and at some point in time they will be able to take an exam and obtain that particular license, which makes them that much more valuable. Mr. Borner stated that as time goes on there will be attrition due to retirement, etc. and staff needs to be appropriately licensed at a higher level than what they are now so they can step into those roles and have that experience. The City will work with the District to establish this process.

### **Upcoming Meetings Schedule Discussion**

March 12 is the Mountain Town Planning Conference. Council's regular business meeting will be moved to Friday morning, March 13 at 9:00 a.m. Council was supposed to meet with the Chamber on February 27 to discuss Winter Carnival and events, but Sherry Maupin will not be able to attend. Council will meet with the Chamber on Friday, March 13 at 9:00 a.m. instead.

## **CONSENT AGENDA**

Staff recommended approval of the following items:

1. City Council Special Minutes – September 26, 2014
2. City Council Special Minutes – October 16, 2014
3. City Council Special Minutes – December 19, 2014
4. Payroll Report for Period ending January 16, 2015
5. Payroll Report for Period ending January 30, 2015
6. Warrant Registers

**Councilor Swanson moved to approve the consent agenda as presented. Councilor Scott seconded the motion. In a voice vote all members voted aye and the motion carried.**

## **EXECUTIVE SESSION**

**At 9:24 p.m. Councilor Swanson moved to go into Executive Session for:**

- **Land Acquisition - Pursuant to Idaho Code §67-2345(1) (c) To conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency;**

**Councilor Witte seconded the motion. In a roll call vote, Councilor Swanson, Councilor Witte, Mayor Aymon, Councilor Giles, and Councilor Scott all voted aye and the motion carried.**

Council discussed a land acquisition opportunity.

## **RETURN TO OPEN SESSION**

**At 10:00 p.m. Councilor Swanson moved to return to Open Session. Councilor Witte seconded the motion. In a voice call vote, all voted aye and the motion carried.**

**ADJOURNMENT**

Without further business, the Mayor adjourned the meeting at 10:01 p.m.



*Jackie J. Aymon*  
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Jackie J. Aymon, Mayor

ATTEST:

*BessieJo Wagner*  
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BessieJo Wagner, City Clerk