

# MINUTES

---

**McCall City Council  
Regular Meeting  
Legion Hall (McCall City Hall - Lower Level)  
November 6, 2008**

## Agenda

Call to Order and Roll Call  
Council Work Session  
Public Hearing  
Public Comment  
Consent Agenda  
Business Agenda  
Committee Minutes  
Adjournment

## **CALL TO ORDER AND ROLL CALL**

**Mayor Kulesza called the regular meeting of the McCall City Council to order at 5:30 p.m. Council Member Bailey, Council Member Delaney, and Mayor Kulesza answered roll call. A quorum was present. Member Scott and Council Member Witte were absent. Council member Scott arrived at 5:32. Council Member Witte Arrived at 5:33.**

In addition to the Council Members, present were Lindley Kirkpatrick, City Manager; City Attorney Terry White; Jerry Summers, Chief of Police; Eric McCormick, Golf Course Superintendent; John Anderson, Airport Manager; Michelle Groenevelt, Community Development Director; Brock Heasley, Parks and Recreation Director; Brenna Chaloupka, Acting City Clerk / Administrative Assistant; and BessieJo Wagner, Deputy City Clerk / Administrative Assistant.

## **COUNCIL WORKSESSION**

### **The Consolidated Department Head Report**

Council Member Delaney asked Mr. McCormick about the idea of aerating in the fall as opposed to the spring. Mr. McCormick stated that his staff did aerate in the fall.

Council Member Bailey had a question about the Environmental Assessment Advisory group for the Airport, could the same people that are doing the Airport Zone and Building Standards Review also be the EA Advisory group. Mr. Anderson stated that if those same people want to also be on the EA Advisory Committee, they are welcome to participate.

Mayor Kulesza wanted to ensure that the conversation with the contractor for the Environmental Assessment to determine the purpose and need, and the scope of the project, was done early and upfront. He wants to make sure that the opportunity does not slip away. Mr. Anderson stated that

the first meeting was scheduled for Wednesday December 3, 2008. It will be a public meeting. Mr. Anderson wanted to know if the Council wants to have a work session at that time. Mayor Kulesza stated that he had understood that the meeting would be public and that the forum would be such that public comments would be heard. Mr. Anderson confirmed that the meeting would be for the public and that it would make sense for the Council to come and just make it a public Council meeting. The Council agreed to make it a Special Meeting for the Council and participate in the meeting scheduled for December 3, 2008. The meeting will be published in the paper.

Mr. Kirkpatrick clarified that the suggested Franchise fee increase of 2% would not affect the power rate, it would only affect the franchise fee amount and that increase would be passed onto the customer. The City then uses that money to bury power lines within the City.

Mr. Kirkpatrick explained that the two homes that tested positive for lead is most likely due to something indicative to those homes and not with the City's system.

Mayor Kulesza stated that there was an offer from Glen Jacobson, who works for the Department of Lands and is knowledgeable of noxious weeds, to volunteer with the City to assist with the development of a plan to control noxious weeds.

Mayor Kulesza stated that after reviewing the annual drinking water quality report, he noted that the report shows tests from a broad range of chemical components. He also noted that some of the tests were done regularly and some were done with many years between, some tests date back to 1998. He would like for the City to look into how much would it cost to do a current full battery of tests on metals, nitrates, fertilizers, and pesticides. He felt that it would be pertinent to the issues that the City was currently looking at with the proposals of marina expansion.

Council Member Bailey stated that the last test done for storm water run off drains was in 1996. He suggested that a test at each outfall in the Central Business District be done to see what is coming out of the storm drains in the spring. He also suggested that there may be a high school class that could take the samples. The test could be compared to the test taken in 1996 to compare and see what has improved. There are now five vortech units and then there were none. Council Member Bailey intends to write up a proposal to get the tests done.

Ms. Groenevelt clarified that the bank now owns the Timber Crest building downtown and is in the process of getting it ready for winter including fixing the side walk to meet City standards. She stated that the bank is meeting with Community Development on Friday, November 7, 2008 to discuss what needs to be done.

**Mayor Kulesza led the audience in the Pledge of Allegiance at 6:04 p.m.**

## **PUBLIC HEARING**

### **AB 08-217 Fee schedule increases in the City Clerk, Parks and Recreation, and Community Development departments. Resolutions 08-20, 08-21, and 08-22**

Brenna Chaloupka, Acting City Clerk, stated that during the FY09 budget process, staff discussed increasing fees in the City Clerk, Parks and Recreation, and Community Development

departments in order to keep up with the administrative costs associated with collecting those fees. The business license fees were last increased in 2002. Ms. Chaloupka stated that the range for business licenses in other Cities is \$20-\$75 and confirmed that the new rate of \$25 would cover the City's administrative costs. There was some discussion as to whether the suggested parks fees were too large of an increase. It was stated that the new park fees would be accurate for covering the staff costs. Council Member Delaney stated that she would like to know what analysis had been done to compare to other cities and would like to see where the numbers come from. Mr. Kirkpatrick noted that it is important when doing the comparison that the fees being compared are comparable.

Michelle Groenevelt, Community Development Director, gave an overview of the Planning and Zoning fee increases. Her analysis included comparable mountain towns and a break down of the number of hours spent on each application and action.

Council Member Bailey made a suggestion that the Zoning Ordinance fee should say "Zoning and/or Subdivision Ordinance amendment". He also stated that the proposed fee for suggesting an ordinance change of \$750 was too high. He felt that it could discourage citizens from participating in amending City ordinances. Ms. Groenevelt clarified that the rationale behind the proposed \$750 fee covers staff time in addition to the cost of noticing it in the paper and having the City attorney review the ordinance. If it is initiated by Council there is no charge. Ms. Groenevelt stated that the proposed fees are still lower than other communities or at least comparable.

**Mayor Kulesza opened the public hearing at 6:23 p.m.**

Wayne Ruemmele – 1050 Fireweed – He recommended that the fee for amending ordinances reflects when it is an expedited request, and then the fee should apply.

**Hearing no further comments, Mayor Kulesza closed the public hearing at 6:24 p.m.**

Council Member Delaney asked Brock Heasley, Parks Director, if he had compared the proposed parks fees to other communities. Mr. Heasley responded that all communities are different, so the comparison was difficult. Council Member Bailey wanted to know what differentiates a large event from a small event. Mr. Heasley stated that that it depends on the event and it is looked at by a case by case basis. There was some discussion on the justification of the new fees for parks reservation. They have looked at what the costs of cleanup and maintenance would be for the events to determine the new rate. Council Member Delaney felt that it should be a \$500 fee.

Council suggested that the City redefine the threshold of what constitutes a small and large group. The definition is currently in the policy. The issue of the fee was defined to cover the administration and maintenance costs.

**Council Member Scott moved to approve the fee schedule increase as recommended by staff and adopt Resolutions 08-20 to include the definition of a small event as 0-50 people and a large event as 51-more people, and authorize the Mayor to sign all necessary documents. Council Member Bailey seconded the motion. In a roll call vote, Council Member Scott, Council Member Bailey, Mayor Kulesza and Council Member Witte voted aye, Council Member Delaney voted nay and the motion passed.**

**Council Member Bailey moved to approve the fee schedule increase as recommended by staff and adopt Resolutions 08-21, and authorize the Mayor to sign all necessary documents. Council Member Scott seconded the motion. In a roll call vote, Council Member Bailey, Council Member Scott, Council Member Delaney, Mayor Kulesza and Council Member Witte voted aye, and the motion passed.**

**Council Member Bailey moved to approve the fee schedule increases as recommended by staff and adopt Resolutions 08-22 with the change to the title of the “Zoning Ordinance Amendment” fee to “Zoning and/or Subdivision Ordinance Amendment (special accelerated process)” fee and change the fee amount to \$50.00 and authorize the Mayor to sign all necessary documents. Mayor Kulesza seconded the motion.**

Council Member Scott asked if that covered the notice costs. Mr. Kirkpatrick stated that it does not. Mr. Kirkpatrick stated that if the council wants to capture the expense to the City in the fee there are three categories to consider, notice fee, the codifier fee, the attorney fee, and attorney fee, all of which are variable. The \$750 fee was the staff’s best calculation of what it would average to cover the costs to the City.

Terry White, City attorney summarized by stating that procedurally if a citizen feels that there should be an ordinance amendment; they can bring it to any Council Member who will present it to the Council for consideration. The Council decides the route the amendment would need to go through, this would be available for all citizens at no charge. Then on the other side, if a citizen is requesting a special ordinance or amendment that only benefits the requestor, then the fee would apply.

Council Member Witte had a question on the annexation fee, if the City is annexing an area that is already developed, is the fee charged? Ms. Groenevelt stated that if it is a City initiated annexation, then there is no charge, the charge only applies when it is initiated by a private party.

**Council Member Bailey stated that based on the discussion he would amend his motion to say: approve the fee schedule increases as recommended by staff and adopt Resolutions 08-22 with the change to the title of the “Zoning Ordinance Amendment” fee to “Zoning and/or Subdivision Ordinance Amendment (special accelerated process)” fee. Mayor Kulesza’s second of the motion stands. In a roll call vote, all members voted aye and the motion passed.**

**AB 08-216 Spring Mountain Ranch Subdivision, Phase 5: Approval of a Preliminary Plat application (SUB-08-05)**

Gregg Tankersley, Secesh Engineering, stated that the proposed subdivision is the 5th Phase and part of the last parcels of the Spring Mountain Ranch Planned Unit Development (PUD) to be developed. The original PUD was approved in 1993 for 753 units. The total area of Phase 5 is 11.45 acres, with 26 residential, single-family lots between 0.79 and .025 acres. Upon approval of the application for final plat there will be an excess of 100 units below the 753 originally approved. The property is zoned as low-density residential and the project is proposing approximately 2.3 drawing units per acre. The project includes the development of a new road that would connect Spring Mountain Boulevard and Bitterroot Drive. The road has 40’ Right-of-Way – consistent with the Spring Mountain Ranch PUD – that is augmented by a 12’

Utility/Snow Storage easement on either side, with the utilities located underground. Storm Water would be consistent with the rest of the development, which currently flows down to a regional treatment facility surrounded by the cedar portion of the Golf Course. They have met all but two of the conditions for approval set by City Staff. The parks requirement is one that Amy Pemberton will address. They have issued a letter to the neighbors who are concerned with existing trees in the right-of-way of the new road.

Amy Pemberton, representing Secesh, stated that the access for the road was part of the original plat. She had two comments on the proposed findings, Secesh will need to remove aspen trees to build road and Secesh is willing to work with neighbors to minimize the impact. She proposed that they change the condition that Planning and Zoning approved that states “the applicant shall work in good faith to secure lot line adjustments that will allow for the realignment of the road stub from Bitterroot Dr. to the proposed road” to “Work in good faith to minimize the impacts of the road stub” She stated they would like to propose that they plant some aspen trees to the side of the road to compensate for removal of the trees currently in the path for the new road. The alternative would be to remove trees that have a much longer life span to be able to construct the road around the aspen trees.

Ms. Pemberton addressed the parks requirement for the project. It is part of the initial Spring Mountain Ranch PUD. They originally worked with the City and contributed approximately 95 acres for the Golf Course and 2 miles of public bike paths, therefore they think that the Parks requirement has been satisfied. She asked that the City consider the requirement satisfied.

Mayor Kulesza asked for clarification of the total number of units planned for the PUD. Ms. Pemberton stated that the original plat was for 753 units and with Phase 5 there will be a total of 640 units. There are a few more acres left that could be developed but not for 113 units. The amount of acreage required for parks for this phase is about an acre and the total amount of acreage for the 753 units is 20 acres. As stated, the developer already contributed 95 acres plus two miles of bike paths. It was clarified that the most units the developer is likely to build out to, would be 675 units as opposed to the original number of 753 units.

Council Member Delaney stated that to work in good faith is a very general statement. Ms. Pemberton stated that they would like to work with the neighbors to find what they would like to do and find out the impact of moving the aspen trees or planting new ones.

Ms Groenevelt commented on the provisions to the findings and conclusions that the applicants requested stating that she did not have any issue with the wording on the condition for the road. As for the parks requirement, City staff understood that this is a subdivision that has been submitted under the current ordinance which requires the park. She stated that the project would not be exempt of the requirement; it would be up to the Council to decide if the requirement applies.

Council Member Delaney asked why was the issue of the 40 foot right of way, with 12 foot snow storage a condition of approval. Current standard for a road is a 60 foot right of way, but in Spring Mountain Ranch they are all 40 foot due to the initial PUD. Initially the City said this project would have to comply with the current ordinance of a 60 foot right of way; however after some conversation with the streets department superintendent it was decided that since the rest of

the roads were 40 feet and there isn't a problem with snow plowing, this project could have roads with a 40 foot right of way to be consistent with the rest of the PUD.

Council Member Delaney wanted clarified that the staff's recommendation on the parks requirement is that it had been met. Ms. Groenevelt stated that it is standard for it to go to the Parks and Recreation Advisory Committee and they would make a recommendation to the Council. She stated that the Council can make the determination if they want a recommendation from the Committee or if they have enough information to make a determination.

Council Member Witte asked if there is still an open space requirement for PUDs. If so, how does the City normally resolve the issue of parks requirement for a subdivision and an open space requirement for a PUD when one project has both. Ms. Groenevelt confirmed that there is an open space requirement for PUDs, and it would depend on the project and the city code, but generally the two are counted separately.

**Mayor Kulesza opened the public hearing at 7:12 p.m.**

**Hearing no comments, Mayor Kulesza closed the public hearing at 7:12 p.m.**

Council Member Bailey stated that he owns property within a third of a mile of the PUD and is no longer a member of the Spring Mountain Ranch board of directors and therefore does not feel it is conflict of interest. The Council agreed.

Council Member Bailey stated that there was one more condition he would like to add, that the applicant adds street lights at the intersection of Bitterroot and Spring Mountain Boulevard with Violet Way and to match the existing street lamps on the Spring Mountain Ranch PUD. He also stated that the applicant shall submit for approval an amendment to the existing plat to correct the street name or whatever legal document would be required to accomplish correcting the name of the street.

Council Member Delaney expressed concern of whether a street light would be needed there considering that the subdivision already has a street lamp at every intersection and a few in between. It was stated that the homeowner association wants the street lights. Council Member Delaney felt that if there were lights from porch lights that an additional light may not be necessary.

**Council Member Bailey moved to approve SUB-08-05 subject to the Findings and Conclusions with the following amendments:**

- 1. Conclusion #3 - Council finds that the parks requirement has been met by the contribution of the 95 acres of Golf Course and the two miles of walk/bike path by the original developer.**
- 2. Conditions 7&8 - The applicant add street lights at the intersections of Bitterroot and Violet Way, and Spring Mountain Boulevard and Violet Way and to match the existing street lamps on the Spring Mountain Ranch PUD. He also stated that the applicant shall submit for approval an amendment to the existing plat to correct the street name or whatever legal document would be required to accomplish correcting the name of the street**

3. **Condition 9 - finding #32.15 shall be removed and replaced with the following: “the applicant shall work in good faith with the two neighbors abutting Bitterroot to minimize the impacts of the road stub from Bitterroot Drive to the proposed Violet Way.”**

**And authorize the Mayor to sign all necessary documents. Council Member Scott seconded the motion.**

Council Member Witte suggested that the street light be place along Spring Mountain Blvd at the corner of Violet way but not at the intersection of Bitterroot Drive and Violet Way. After some discussion the motion stood as stated.

**In a roll call vote, all members voted aye and the motion passed.**

**AB 08-145 ZON-07-03: Crystal Beach Condominiums – Zoning Map Amendment from CC to R8**

Michelle Groenevelt, Community Development Director, stated that the applicant requested a continuance until November 20, 2008. The applicant requested approval for a Zoning Map Amendment. Previously, Idaho First Bank existed on the subject property (103 East Lake Street) and was zoned Community Commercial. The applicant has demolished the building on this parcel and is now applying to have the Community Commercial property rezoned to R8 – Medium-Density Residential which matches the surrounding zoning. There has been delays to this project due to the left turn bay at Mission Street and whether there is room for a sidewalk. The proposed Zoning Map Amendment will remove an instance of “spot zoning” in the City of McCall.

**Mayor Kulesza opened the public hearing at 7:37 p.m.**

**Hearing no comments, and per the applicant’s request, Mayor Kulesza continued the public hearing to the November 20, 2008 Council meeting.**

**PUBLIC COMMENT**

**Mayor Kulesza called for public comment at 7:38 p.m.**

**Pete Wessel** –The City’s GIS Technician – He stated that he is resigning his position due to personal reasons. He wanted to thank the Council and staff, Mr. Kirkpatrick and Ms. Groenevelt for the great working environment at the City and also thanked NHS for his living arrangement at the McCall Avenue Homes.

The Council thanked Mr. Wessel for his time with the City of McCall.

**Hearing no comments, Mayor Kulesza closed the public comment at 7:40 p.m.**

**CONSENT AGENDA**

Staff recommended approval of the following items:

- Minutes from September 25 & October 9, 2008
- Warrant Register printed on October 29, 2008
- Payroll Report for Period ending October 17, 2008
- AB 08-218 Alcohol Beverage Catering Permits
- AB 08-215 Application for recertification for Tree City USA
- AB 08-208 Purchase Agreement for Former Fire Station

This item was pulled from the agenda as per the Fire District Request

Some discussion took place to clarify the warrant register and correct the minutes.

**Council Member Delaney moved to approve the Consent Agenda with the exception of the purchase agreement for the former fire station and the minutes corrected. Council Member Witte seconded the motion. In a voice vote, all members voted aye and the motion passed.**

## **BUSINESS AGENDA**

Mayor Kulesza changed the order of the agenda moving the Golf Rates to the first item on the business agenda then the McCall Avenue Homes agenda item second.

### **AB 08-214 Golf Rate Fees for 2009**

Eric McCormick, Golf Course Superintendent and Golf Advisory Committee feel that increasing the rates at this time would not improve revenue for the coming year. If the rates are increased, history has shown that it would decrease play and revenue would not increase. It is Mr. McCormick and his staff's opinion that they have a better chance of increasing play by being the lowest rate in the area.

Allan Morrison, the Golf Course Clubhouse Manager and Golf Professional, stated that the added option of the \$10.00 family night last year has been very successful and well received by the community. The restaurant is doing well with the new chef, seeing record revenue this year.

**Council Member Scott moved to approve leaving the golf rates for 2009 the same as 2008. Council Member Delaney seconded the motion. In a voice vote, all members voted aye and the motion passed.**

### **AB 08-220 Approval of the amendments to the Community Housing Covenants, and ratification of the previous approval of the first amendment to the Ground Lease for the McCall Ave Homes**

Council Member Scott clarified that if the VARHA Covenants go away, and the resident that is paying a dollar, do they now have to start paying double the fair market value. For the covenants to go away it would take Council action or foreclosure.

Council Member Witte wanted to know what happens if VARHA goes away. Mr. Kirkpatrick stated that the conditions would still apply, only the body that administers the conditions would change.

It was stated that in the owner occupied scenario where the home is foreclosed upon, then the covenants would go away and the rent on the land would go up. In the case of a foreclosure and someone purchased it as a second home the land lease rate would be twice the fair market value. The question was posed if there was a choice of someone wanting to buy it and rent it out and paying the higher rate as opposed to it being owner occupied. The answer was that this would not be an option. Michael David clarified that the covenants run with the land so once it is agreed upon, the only way to get around it is Council action or foreclosure. In the case of foreclosure, the bank has the option of maintaining the covenants or eliminating them.

Council Member Witte suggested that they modify the lease so all potential buyers would pay the higher lease rate and could apply to have the rate lowered so that the City would have some income from the sale of the homes.

Connie Hogland, CEO for Neighborhood Housing Services, stated that one of the biggest selling points of the homes is the dollar lease rate on the land and not having to pay property taxes on the land, they only have to pay taxes on the house. If the lease was changed, as suggested by Council Member Witte, then it would be a restriction that would hinder the sale of the homes. Even if the person has the option of applying for a lower rate it hinders the application process to purchase the home dragging out the process longer and therefore making the homes more difficult to sell.

It was Council Member Witte's opinion that the owner occupied restriction would be very difficult to enforce.

Michael David made a comment that with the owner occupied restriction and the homes priced at or around \$140,000, it would be more likely that the pool of people that would purchase these homes would fall into the original targeted group of workforce housing.

Council Member Witte suggested that the lease rate be equal to the department of lands for all potential buyers. Then lower income buyers could apply for rent reduction. It was stated that buyers would have to be qualified in advance at the lease rate stated, then if they did not qualify at that rate, would then have to apply for a rate reduction and the buyer process would start over. This process could be very lengthy and therefore a deterrent for possible buyers. Connie Hogland stated that Neighborhood Housing needs the restrictions lifted so the homes would be more marketable.

Council Member Bailey stated that for the Community Housing Covenants document, in the first paragraph 1.1 it states "Declarant owns **personal** property which is designated to be the site of community housing..." and he thought it should be "Declarant owns **real** property which is designated to be the site of community housing..." Michael David stated that the change was made from "real" to "personal" due to the houses being on leased land. It was pointed out that throughout the rest of the document "personal" property is not referred to; it is only "real" property. Terry White, City Attorney, stated that it should read "real" property.

Council Member Bailey continued with discrepancies on page 2, paragraph 2.2 there is a reference to an instrument number. That number needs to be filled in prior to signing the document. And Exhibit A needs to be complete prior to recording. It was clarified that there will

be nine separate documents to be signed once they are approved. Also on page 3, paragraph 3.6 it references section 3.6, it should be 3.5.

Council Member Witte expressed the concern of what happens if VARHA is no longer in existence. It was suggested that the covenants could state with VARHA or an assigned agency. Mr. Kirkpatrick stated that it would be an issue to deal with at the time that VARHA would cease to exist. He does not foresee this happening in the near future as there is a need for Community Housing and the City has a commitment to Community Housing. However, if they were to discontinue their business then it would be part of their dissolution process to straighten out this type of situation and all commitments that VARHA has.

Council Member Delaney asked about the scenario of what if the City may want to discontinue their relationship with VARHA. Mr. David stated that state statute requires that if the City finds there is no longer a housing issue then VARHA can be dissolved. Council Member Delaney asked what would happen if the City felt that VARHA was not doing their job. Mr. David stated that the City could get rid of the board members and directors of VARHA or stop funding them; however it is an independent agency from the City.

Council Member Delaney stated that she did not think that VARHA had managed the Community Housing issue well and thinks that if the City continues to have them manage Community Housing, it would be a potential problem.

Some discussion took place in regard to the role of VARHA and what would happen if the City did not work with VARHA. It was stated that if the City no longer worked with VARHA, the City would have to set up its own Housing Authority. Currently VARHA is responsible for managing the covenants of the Community Housing. The City manages the terms of the land lease.

Council Member Delaney expressed a concern that if the City lifts all the restrictions and is tied to VARHA and they do not perform to City expectations, then VARHA could still receive a fee for no services. How can the City hold VARHA accountable? Mr. Kirkpatrick stated that it would be a political process. The VARHA board has one member that the City Council appointed and if he does not hold the City's interest then the option would be to appoint a new member. There are other public entities on the VARHA board to work through as well. The City could withdraw its funding in protest.

Council Member Delaney expressed her concern that VARHA was supposed to market and sale the McCall Avenue homes and they failed to do so. She also expressed that they failed to bring the issues of the homes not selling to Council in a timely fashion, therefore not having the time needed to strategically look for alternate ways to sell the homes. Mr. David stated that it was NHS who was responsible not VARHA. There was some discussion that the problem was nation wide and not just in McCall.

Council Member Witte referred to paragraph 2.6 of the Covenants that stated "A "Qualified Occupant" is a person or group of people who at the time a lease or rental agreement is entered into between the Owner and Qualified Occupant meet and **is** in full compliance with the qualifications...", should read: "A "Qualified Occupant" is a person or group of people who at

the time a lease or rental agreement is entered into between the Owner and Qualified Occupant meet and **are** in full compliance with the qualifications...”

Council Member Witte asked that since VARHA stated they would not charge the administrative fee, then Section 5.2 (which allows VARHA 1% per year up to a maximum of 4% total, of the selling price) could be deleted. Mr. David stated that VARHA had chosen to leave it in the Covenants, so in the case of a resale, if the seller wanted to use VARHA they had the option. Council Member Witte stated that as it is written if someone buys one of the homes and then in two years needs to sell, they would have to pay \$500 to the City and 2% of the cost of the house to VARHA. It was clarified that if the seller uses a realtor then they would also have to pay the realtor fees. It was stated that the whole time the homes had been for sale they had never been on an MLS listing due to VARHA not being a realtor. Ms. Hogland had the understanding that VARHA would not receive their 1% per year fee on the McCall Avenue Homes. Mr. David stated that paragraph 5.2 should be stricken from the covenants. Paragraph 5.2 was originally written when VARHA had to ensure that the buyer met all the deed restrictions and monitor them.

Mr. Kirkpatrick explained that originally when the covenants were written, it was set up so that VARHA had a way to generate a revenue stream. It would help VARHA to be a self sufficient, independent agency, not requiring property taxes for support. Mr. Kirkpatrick also pointed out that by deleting paragraph 5.2, it would also eliminate a source of income for VARHA making them more dependent on local property taxes. This could result in VARHA requesting a larger amount from the City.

There was some discussion as to whether to leave paragraph 5.2 in the document or remove it. Mr. Kirkpatrick pointed out again that if the Council chose to eliminate the opportunity for VARHA to generate revenue from the sale of the Community Houses they would be creating a policy shift and VARHA would become more dependent on property taxes. It was the intention at the time VARHA was created, for them to become an independent agency. Mr. David stated that he was not apposed to the removal of paragraph 5.2 due to the changes in the covenants. The general consensus was to remove the paragraph in its entirety.

**Council Member Bailey moved to adopt the First Amendment to the Ground Lease, as amended – on page two, change the wording “deed restrictions” to “VARHA covenants” and authorize the Mayor to sign all necessary documents. Council Member Delaney seconded the motion.**

Council Member Witte stated that she did not think that the City should lease the land for \$1.00 a year for 99 years to people who can afford more.

**In a roll call vote, Council Member Bailey, Council Member Delaney, Mayor Kulesza, and Council Member Scott voted aye and Council Member Witte voted nay and the motion passed.**

**Council Member Bailey moved to approve the Community Housing Covenants, with the following amendments:**

- **Paragraph 1.1 – change the wording “personal property” to “real property”**
- **Paragraph 2.2 – Add the instrument number**

- Paragraph 2.6 – Change the wording “is in full compliance” to “are in full compliance”
- Paragraph 3.6 – Change the reference to Section 3.6 to 3.5
- Paragraph 5.2 – Delete Section 5.2 and renumber
- Paragraph 7.5 – Delete sentence that references Section 5.2.

And authorize the Mayor to sign all necessary documents. Council Member Scott seconded the motion. In a roll call vote, Council Member Bailey, Council Member Scott, Council Member Delaney, Mayor Kulesza, and Council Member Witte voted aye and the motion passed.

Mayor Kulesza called a recess at 10:41 p.m.

The Meeting reconvened at 10:46 p.m.

**AB 08-219 Grand Payette Hotel Subdivision: Approval of Preliminary Plat (SUB-08-04), Preliminary Plan (PUD-08-03) and Conditional Use Permit (CUP-08-05)**

Steve Millemann, counsel for the applicant, had two requests for clarification of the Findings:

- Page 12 of 19, item 16 the “general development plan” should read “final development plan”
- Page 14 of 19, item 8 should have additional language added that states “or to reasonably delineate private common areas from public access areas.”

Mr. Millemann stated with the two changes, they had no objections to the Council’s Findings.

Michelle Groenevelt, Community Development Director, clarified the phasing plan:

- Phase 1: Site work, infrastructure work and off-site improvements which will commence no later than the earlier to occur of: (i) twelve months (12) after the termination of all leases to space within the Yacht Club building; or, (ii) March 1, 2012.
- Phase 2: Vertical construction, after the completion of Phase 1, commencing no later than the earlier to occur of: (i) twenty-four (24) months after the termination of all leases to space within the Yacht Club building; or, (ii) June 15, 2015.

Mayor Kulesza asked for clarification on when applicants generally submit their parks requirement proposal. Ms. Groenevelt stated that typically the parks plan is submitted with their initial application. Staff was initially unaware of the intent to have kitchens in the units, so a park plan or recommendation was not ready at the time of preliminary plat. The condition is that they have a proposal at final plat and part of the process is to go to the Parks Advisory Committee for a recommendation.

Council Member Delaney asked what the standard time frames are. Ms. Groenevelt stated that the time frame for a CUP is twelve months from the approval date unless the Council finds that it is unreasonably short, then the Council can extend the time period. The time frame for a PUD is 4.5 years after final plan approval, and for a SUB there is no time frame.

Mayor Kulesza had concerns with the issue of the parks and public access, and the some of the important issues, once the preliminary plat is approved, would be pushed into the future. Council Member Bailey pointed out that the issues of parking and storm water are City issues which the project of the Grand Payette Hotel could help give some direction to solutions.

Council Member Delaney had issues with the time frames of the Grand Payette Hotel project. Council Member Bailey explained that there have been other projects that have had extended time frames. There are also items that future Councils can weigh in on such as the parking and parks requirements. He does not see the risk.

Council Member Witte had concerns about the parks requirement. If the Council approves the preliminary plat, the parks recommendation would not be seen by Council until the Grand Payette Hotel final plat approval. Mr. Millemann stated that the conditions state that the applicant will comply and present an acceptable plan to the Council at final plat.

Ms. Groenevelt stated that after Mr. Nichols, the City Attorney had reviewed the Findings and Conclusions he recommended that another condition be added. The Condition would specify that the applicant shall address the occupancy issue in the development agreement.

Council Member Bailey requested that his memorandum dated October 19, 2008, be included as public record for the project of the Grand Payette Hotel, so the reason for the extended timelines and comments made in a constructive manner are not lost to future viewers of the project.

**Council Member Bailey moved to approve the Grand Payette's Preliminary Plat (SUB-08-04), Preliminary Plan (PUD-08-03) and Conditional Use Permit (CUP-08-05) subject to the attached findings and conclusions with the amendments as follows:**

- **Page 8, paragraph 15 to revise the last sentence to read "The applicant shall provide a stormwater system/plan that is of high standards (meets or exceeds the highest standards of the Drainage Management Guidelines)."**
- **Page 12, paragraph 11, strike item b as the parking requirement is covered in item c (add, per City Code), and paragraph 16, change the wording to say "approval of the final development plan".**
- **Page 14, paragraph 5, to add the wording after landscaping, "occupancy restrictions for the condominium units," and paragraph 8, add the clause at the end "or to reasonably delineate a private common areas from public access areas."**

**And authorize the Mayor to sign all necessary documents. Council Member Scott seconded the motion.**

Ms. Groenevelt stated that she would add Council Member Bailey's comments to the findings.

**In a roll call vote, Council Member Bailey, Council Member Scott, Mayor Kulesza, and Council Member Witte voted aye, Council Member Delaney voted nay and the motion passed.**

### **Other Discussion**

Council Member Bailey asked about the status of the agreement with Vicky Wade. Mr. Millemann stated that she had signed the documents. There was a concern about where to stage the truck for the propane delivery. The issue is that the truck cannot park in the roadway unless the road is closed. The two options are either the City closes the road during the delivery or have some tire ramps made to allow the truck to pull up onto the sidewalk for the delivery. The truck has to be out of the way of travel.

## COMMITTEE MINUTES

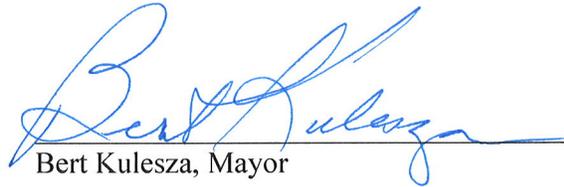
The Council received copies of the following minutes:

- McCall Improvement Committee – September 25, 2008
- Golf Course Advisory Committee – October 8, 2008

## ADJOURNMENT

**Council Member Witte moved to adjourn the meeting Council Member Scott seconded the motion and in a voice vote all members voted aye and the motion carried.**

**Without further business, the meeting was adjourned at 11:01 p.m.**



Bert Kulesza, Mayor

**ATTEST:**



BessieJo Wagner, City Clerk