

WHITEFISH CITY COUNCIL MINUTES

March 2, 2015

7:10 P.M.

1) CALL TO ORDER

Mayor Muhlfeld called the meeting to order. Councilors present were Barberis, Frandsen, Hildner, Feury, Anderson and Sweeney. City Staff present were City Manager Stearns, City Clerk Lorang, City Attorney VanBuskirk, Finance Director Smith, Planning and Building Director Taylor, Interim Public Works Director Hilding, Parks and Recreation Director Butts, Interim Fire Chief Page, Police Chief Dial and Senior Planner Compton-Ring. Approximately 40 people were in the audience.

2) PLEDGE OF ALLEGIANCE

Mayor Muhlfeld asked Derreck Thompson to lead the audience in the Pledge of Allegiance.

3) PROCLAMATION - proclaim April 7, 2015, as National Service Recognition Day

MAYORS DAY PROCLAMATION - WHITEFISH

WHEREAS, service to others is a hallmark of the American character, and central to how we meet our challenges; and

WHEREAS, the nation's Mayors are increasingly turning to national service and volunteerism as a cost-effective strategy to meet city needs; and

WHEREAS, participants address the most pressing challenges facing our cities and nation, from educating students for jobs of the 21st century and supporting veterans and military families to providing health services and helping communities recover from natural disasters; and

WHEREAS, national service expands economic opportunity by creating more sustainable, resilient communities and providing education, career skills, and leadership abilities for those who serve; and

WHEREAS, national service participants serve in more than 60,000 locations across the country, including six in Whitefish, bolstering the civic, neighborhood, and faith-based organizations that are so vital to our city's economic and social well-being; and

WHEREAS, 81 national service participants age 55 and older with experienced backgrounds served 35,347 hours in Whitefish, providing vital support to city residents and improving the quality of life in our city; and

WHEREAS, national service represents a unique public-private partnership that invests in community solutions and leverages non-federal resources to strengthen community impact and increase the return on taxpayer dollars; and

WHEREAS, national service participants demonstrate commitment, dedication, and patriotism by making an intensive commitment to service, a commitment that remains with them in their future endeavors; and

WHEREAS, the Corporation for National and Community Service shares a priority with mayors nationwide to engage citizens, improve lives, and strengthen communities; and joined with the National

League of Cities, City of Service, and mayors across the country to recognize the impact of service on the Mayors Day of Recognition for National Service on April 1, 2014.

THEREFORE, BE IT RESOLVED that I, John Muhlfeld, Mayor of Whitefish, do hereby proclaim April 7, 2015, as National Service Recognition Day, and encourage residents to recognize the positive impact of national service in our city and thank those who serve; and to find ways to give back to their communities.

/s/ John M. Muhlfeld, Mayor

4) COMMUNICATIONS FROM THE PUBLIC — (This time is set aside for the public to comment on items that are either on the agenda, but not a public hearing or on items not on the agenda. City officials do not respond during these comments, but may respond or follow-up later on the agenda or at another time. The Mayor has the option of limiting such communications to three minutes depending on the number of citizens who want to comment and the length of the meeting agenda)

Dan Cutforth, 1255 Larch Lane, said he owns two hotels in Whitefish and spoke to the Mayor and Council against the proposed 1% resort tax increase. He said it results in a 4% tax they have to pay in comparison to their competition in Kalispell who don't pay it. He said tourists have choices and 3 to 4% makes a difference. He noted that Mike Gwiazdon, who owns two stores, one in Whitefish and one in Kalispell, and Dan Graves from the Whitefish Mountain Resort both spoke against the increase at the last meeting. He said there is a large commercial expansion just north of Kalispell along with two or three new lodging places; and there hasn't been anything new added to Whitefish. He said it isn't the 500,000 tourists who will cover the cost of the water quality protection issue, it is the 100 local retailers; and he thought it should be paid by the residents. He asked the Council to make it right.

Jan Metzmaker, 915 Dakota Avenue, spoke tonight on behalf of the Windows of Whitefish volunteers who made and installed the 4 art pieces that are displayed on the south wall of Latitude 48, depicting the 4 seasons in Whitefish. The project was sponsored by the Stumptown Art Studio. She thanked Deb Stika for her designs and organization of the project, and the many others who worked on it as well; about 9 of them were in attendance tonight and she asked them to stand and be recognized. She said in thanks to the City of Whitefish for allowing their group to set up a workshop in the vacant Coldwell Banker building for the duration of their project and until it will be torn down for the new city hall construction, the group made and gave to the City tonight a mosaic for display at City Hall. She said the group will be looking for a new workshop location if anyone knows of a vacant spot they can use. Jan also spoke regarding the Depot Park Master Plan and requested the City preserve the native treed area along Depot Street east of Depot Park where parking is proposed. That site was given by the City to the School and students have worked hard on that site. They utilized a grant from Plum Creek to plant trees and it is an active site utilized by the science classes; there are plans for additional improvements. The trees are 15 years old and can't be moved so she asked that it be preserved.

Nick Palmer said he was a Whitefish resident and spoke regarding the placement of the manhole covers in the reconstruction of Hwy 93W; traffic weaves around each one to dodge them to avoid the holes. He said he contacted Interim Public Works Director Hilding and she thought MDT could have that fixed. He asked for Council's support in that request, and he thanked the Council for all they do.

Mayre Flowers, on behalf of Citizens for a Better Flathead in Kalispell at 35 4th Street West, had a handout for the Mayor and Council regarding their recycling efforts, and reminded everyone of the expansion of recycled materials now taken at Pacific Steel and Recycling. She said they have a published recycling guide as well as placing it on their website and encouraged the city to expand their

recycling program to match theirs for a valley-wide program; and encouraged the creation of a task-force to move things forward. She said recyclable disposable cups should be purchased by the city and can be purchased locally. Her handout also included links for promoting “shopping local” and suggested the creation of a taskforce for that effort. (Mayor’s handout is appended to the packet).

5) COMMUNICATIONS FROM VOLUNTEER BOARDS

Nick Polumbus, 303 Stumptown Loop, from the Whitefish Convention and Visitors Bureau Committee spoke regarding their campaign this year, in cooperation with Whitefish Mountain Resort, that provided one flight a week from Glacier International Airport in and out of Chicago from December into April. The program has a \$235,000 minimum revenue guarantee and flights have been booked on an average of 64-65%; and he said they probably need about 70% to meet the minimum, so there has been some local subsidy. He talked about Bozeman having a similar campaign with flights in and out of New York City; the first year needed the subsidy but they had better booking rates the second year and the airlines added a flight to Houston. He said their data research shows good marketing results; and they feel that tourism continues to grow in small steps, but good steps. (Nick’s handout is appended to the packet).

Councilor Hildner reported on the Pedestrian/Bicycle Path Advisory Committee held earlier today. Kellie Hamar attended their meeting and gave public comment on crosswalks. The Committee is still reviewing plans for the BNSF landing. The Skye Park Bridge project is planned for lift station construction first and to be completed before the bridge construction begins. The 2nd Street and Stumptown stairs are being reviewed by Building Official Bench and North Valley Steel; and he had noted during the meeting he didn’t want the stair installation to complicate getting the monuments straightened and he was informed then that the monuments will be fixed this spring. An RFP for the Bike Path Master Plan is nearly complete.

- 6) **CONSENT AGENDA** (The consent agenda is a means of expediting routine matters that require the Council’s action. Debate does not typically occur on consent agenda items. Any member of the Council may remove any item for debate. Such items will typically be debated and acted upon prior to proceeding to the rest of the agenda. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)
- a) **Minutes from the February 17, 2015 City Council special session (p.61)**
 - b) **Minutes from the February 17, 2015 City Council regular session (p.62)**

City Clerk Lorang said the number 511,475 overnight visitors needed to be corrected in the minutes on packet page 71.

Councilor Sweeney made a motion, second by Councilor Frandsen, to approve the consent agenda as amended. The motion passed unanimously.

- 7) **PUBLIC HEARINGS** (Items will be considered for action after public hearings) (Resolution No. 07-33 establishes a 30 minute time limit for applicant’s land use presentations. Ordinances require 4 votes for passage – Section 1-6-2 (E)(3) WCC)
- a) **Ordinance No. 15-___; An Ordinance approving the Whitefish Crossing fka Deer Tracks Residences Planning Unit Development to develop a 60-unit apartment project on one parcel comprising approximately 4.493 acres of land to become a part of 6348 Highway 93 South, Whitefish (continuation of public hearing from November 3, 2014) (First Reading) (WPUD 14-04) (p.80) (CD 31:07)**

Senior Planner Compton-Ring reported this was a continuation of a public hearing held by Council on November 3, 2014, because of a pending action by the Board of Adjustment on an appeal from the neighboring Park Knoll neighborhood on the determination that allowed the developer to blend zoning densities and uses across zoning district boundaries within a Planned Unit Development. Before the Board of Adjustment could meet, the neighborhood withdrew their appeal on February 17 (their letter is included in the packet) because the neighbors and developers came to an agreement concerning site plans. The revised site plan was submitted to the Planning Office at noon on February 24th which is the day staff reports are due to be turned in by 4:00 o'clock for packet preparation; so neither staff (Public Works, Fire Department or Planning) nor the public has had time to review them. They have been included in the packet starting on page 203 with the February 24, 2015 letter from Sands Surveying, Inc. Because of that lack of review, Planner Compton-Ring said there are not any staff recommendations at this time; staff is requesting the Council remand it back to staff for review, or back to the Planning Board for additional public review. In the interim, Council approved a zone change on the portion of the property that was formerly county zoning, and that is now in effect. She said the staff report in the packet is based on the original site plan submitted in July of 2014; and the Conditions of Approval that were brought forward upon recommendation from the Planning Board were also based on the July 2014 plans. Planner Compton-Ring said if the project was remanded back to Staff and allow time to go through the Site Review Committee, they could come back with a recommendation on the April 6th meeting, or for a longer review if they wanted it to go back to the Planning Board.

Mayor Muhlfeld opened the public hearing.

Sean Averill, applicant, said Eric Mulcahy, from Sands Surveying, has a letter in the packet that explains the changes; Sean said mainly they exchanged places between some parking lots and structures. The result is a larger buffer between their residential and the Park Knoll Subdivision behind the project. This is the site plan that the Park Knoll homeowners have agreed to, it was a last minute compromise with that neighborhood so the paperwork was submitted late to the Planning Office. The developers are himself along with Jeff Badelt. The project planner is Eric Mulcahy from Sands Surveying, architect is Matt Rhees – The Architects Office, and the engineer is Brett Walcheck – 48 North. (During his presentation he showed a new project that their architect worked on in Missoula). The need for long-term rental inventory for the local workforce is apparent in Whitefish he said, including a 5-year waiting list at the Whitefish Housing Authority. This project provides 10% of the units (6 units) as affordable rent controlled properties in partnership with the Whitefish Housing Authority. He described the property and said it had the right zoning for this density. He explained the two different zones included in the project; the WB-2 zoned property along the front and eastern portion is where the 60 units, in 5 buildings, will be constructed. The parking and the Club House, along with a natural buffer of older trees, sits on the west part of the project which is zoned WLR, all developed as a planned unit development. He brought up both plans on the screen showing the old design and the new design, both in the packet. The project includes the developers constructing a public street that dissects the project and could connect with the extension of Baker Avenue if that ever happens. The design shows parking on both sides of the public street. Parking is one of the differences the Council has to consider tonight; he said they have proposed options between 130 and 158 spaces. He said if the Council determines more parking is needed, the west parking lot can be extended further west into the treed buffer. Another change for the Council to consider is the building design; the project still has to be reviewed by the Architectural Review Committee, but they are asking for a height deviation to 39.5 feet to allow for architectural character of the roof lines which is a four-foot variance. That same deviation was approved on the proposed hotel project to the south of this property. He said in the background there is an

existing hotel to the north, but it sits on a hill and will appear taller than their buildings. Each building will have carports. He said their project meets the mission stated in the Growth Policy for affordable workforce housing. He said he hoped the Council could act on their revised site plan tonight. He said he did have a couple more things to ask. Condition of Approval #12 stipulates the developer will build a 60' street and dedicate it to the City, but also requires the developer and city will enter into an agreement for the maintenance and snow removal responsibilities by the developer until such time as the street is connected to the future Baker Avenue extension. They would like that maintenance and snow removal requirement lifted. In addition, a condition states that same public street will be built all the way to the west end of the project. Since there is not a street there currently for it to connect into; and whether or not there ever will be a street there is yet undetermined, they would like to build it only to the point as shown in their revised plan, it would save a lot of trees for the time being. They would like to dedicate the remaining right of way to the city and build a turn-around as approved by the Fire Department only to the end of the street as needed.

Phyllis Quatman, 150 Johns Way, spoke in support of the project. She said she and her husband, along with Bob Horne and Kate, led the opposition against this developer's proposal for apartments out on E. 2nd Street because of the density and increased traffic, but she feels this project on Hwy 93 South is centrally located and the right location for this type of project, and will fill the need for affordable housing. She appreciates that the developers worked with the adjacent neighbors on a site plan they could all work with. She said the developers were good about listening to the neighbors during their re-working of the E. 2nd Street development; and they also have been listening to the community as they are developing their hotel site on E. 2nd Street and Spokane Avenue. She said it appears this developer is willing to work with the Police, Fire and Planning Departments to meet the needs of this community; and she hopes the project can be approved tonight. She said Sean and his wife are stakeholders in this community; they live and work here and will be raising a family who will go to school here; and he wants what is best for this community.

David Hunt, 113 Park Knoll Lane, and was speaking on behalf of the Park Knoll homeowners. He said over the past months their homeowners have had numerous meetings with the developers and their team and with Lori from the Housing Authority; and now have reached an agreement in support of this revised site plan that has been proposed tonight. Compromises have been made on both sides and the developers addressed the major concerns of the homeowners. He likes the revised plan because it shifts all the apartments out of the WLR zone and into the WB-2 zone, which he thinks is appropriate. With that shift of those buildings it provides a better buffer for the Park Knoll development, and that is why they could drop their appeal that was going to go before the Board of Adjustment. He emphasized they agreed to and only are in favor of the revised plan that was submitted to the Planning Department on February 24, 2015, and support its approval.

Mayre Flowers, on behalf of Citizens for a Better Flathead (CBF) in Kalispell at 35 4th Street West, said CBF appreciates that the developer and adjacent neighborhood worked together to come up with a revised plan; and recommend it needs further review. CBF recommends it goes back to the Planning Board to go through the complete public process. Staff needs to have time to review the revisions and establish findings and recommendations that would apply to the revisions. CBF also questions the legality of the concept referred to as a "Blended PUD". The city's regulations allow for the needed extra time for review as there is no time limit for final action by the City Council on PUD approvals. (Mayre had a handout for the Council which is appended to the packet.)

Lori Collins said she was speaking on behalf of the Whitefish Housing Authority in support of this project's development and the PUD. Having 6 new units available for rental will alleviate some of their burden to provide affordable housing. She said the goal of affordable housing has been in the city's plans for five years, ten years; she has been with the Housing Authority for 8 years and voluntary inclusionary zoning has been sporadic at best. She said this is the closest they have come to getting anything and they are so excited about it. She said anything that is with parking but located close to town and alleviating the need to drive into town is a community benefit. She thought this being a little out of town should be no problem, but she appreciates the concern on the adjacent neighbors and is glad they could come to an agreement with the developer on the site plan. Because it is out of town it will be necessary for renters to have cars; but she feels the emphasis of this project should be that it will be providing affordable housing, and not dependent on how much parking it provides. And regarding a time limit or not? She said there is a time limit – they have been waiting a long time for some affordable units. She supports mandatory inclusionary zoning, but voluntary inclusionary zoning will only work if Council supports that regulation by approving these projects. She thanked the developer for their 60-unit project that provides the Housing Authority with 6 units; with that they can provide a one bedroom for about \$504, a two bedroom for about \$604, and a three bedroom for about \$800. She said since these are rentals; they can relax their standards for support some for a project out of town; but for housing, they'd really like to see something like the E. 2nd Street project. She said they need rentals in this town so she hopes the Council can make this happen.

Chris Hyatt said he is a former city councilor and has worked with Habitat for Humanity and said affordable housing has been on the goal list for at least six years. He said he thinks this is the first time we have seen something get gifted to the Housing Authority which is awesome. At the Chamber neighborhoods meetings affordable housing is a constant subject of discussion. He said both Sean and Jeff have met with them several times and he gives them credit for coming forward with this proposal. It is needed and he hoped the Council will support it.

Mayor Muhlfeld closed the public hearing and turned it over to the Council for their consideration. Following some discussion, **Councilor Sweeney made a motion, second by Councilor Feury, to continue this hearing and have staff review the revised application and bring it back to the Council at the following meeting.** Following discussion with staff regarding extra review time, **Councilor Sweeney amended the motion to have the revised application brought back to the April 6, 2015 Council Meeting, the second agreed with the amendment.** Following further discussion among Council and with staff regarding review time, **Councilor Sweeney withdrew his amendment resulting in the revised application coming back to the Council at the March 16, 2015, which was fine with the second. The motion passed unanimously.**

b) Consideration of a request by Eric Mulcahy on behalf of Spotted Bear Spirits for a Conditional Use Permit to start a handcrafted micro-distillery at 505 Railway Street (WCUP 15-04) (p. 209) (CD 1:19:05)

Planner Compton-Ring said the request for the Conditional Use Permit (CUP) is to operate a microdistillery and tasting room in an existing building at 505 Railway Street. The distillery will operate under State Liquor Board requirements which limits hours of operation and maximum number of ounces permitted per customer. The applicant proposes to remodel the existing building to accommodate the distillery. Staff, during their review, found that the WB-3 zone conditionally permits microbreweries, but regulations are silent on microdistilleries. The zoning administrator has made a

determination that microbreweries and microdistilleries are similar enough to process the application as a CUP; so staff proceeded with that review according to required criteria. Following a public hearing at the Planning Board, the Planning Board voted unanimously for approval subject to six (6) conditions of approval which are all contained in the staff report.

Mayor Muhlfeld opened the public hearing.

Eric Mulcahy, Sands Surveying, spoke representing the applicant. He said the applicants are here and available to answer questions if the Council has any. He said Wendy's staff report was correct and complete; upon approval the project will move forward with the remodel. The applicants met with staff in site review for specifics on the remodel and are in support of the conditions of approval as recommended.

Mayor Muhlfeld closed the public hearing and turned the matter over to the Council for their consideration.

Councilor Sweeney made a motion, second by Councilor Barberis, to approve WCUP 15-04 along with the Findings of Fact in the staff report and the six conditions as recommended by the Whitefish Planning Board. The motion passed unanimously.

c) Consideration of a request by Ben Davis on behalf of Timberlane Real Estate for a Conditional Use Permit to develop four (4) two-unit condominium buildings at 722 Edgewood Place (WCUP 15-03) (p. 238) (CD 1:23:45)

Planner Compton-Ring gave the staff report and said per City Regulations, a Conditional Use Permit (CUP) is required when there are multiple buildings on one lot. Vehicular access to the units will be across a private 20' driveway, each unit will have a garage and additional parking in the driveway. The property is zoned for high density and designated as a high density area in the Growth Policy, therefore this project complies with the Growth Policy. Planner Compton-Ring reviewed the conditions of approval and reported that following a public hearing at the Planning Board, the Planning Board voted unanimously for approval subject to fourteen (14) conditions of approval which are all contained in the staff report. The project is scheduled to go before the Architectural Review Committee on March 3, 2015.

Mayor Muhlfeld opened the public hearing.

Applicant Ben Davis, 140 Burly Bear Trail in Whitefish, addressed the Council. He said the property had been previously approved for a 14-unit project in 2007 and with the current scaled-down proposed development he was seeking a balance of density for this area. The project is across the tracks but just north of Central Avenue. A path exists across the road for biking and walking into town. The goal is to build eight units that can be sold for less than \$300,000 per unit; the designs include two sizes of units. The larger size units have 3 bedrooms and 2 baths and a 2-car garage and plan to be sold in the mid to upper \$200,000 range; the small units are 2 bedrooms and a single-car garage with a market price in the lower \$200,000 range. He said they agree with the conditions of approval and buildings will be constructed to meet the required setbacks. There will be four parking spaces for each large unit and two for the smaller units and they plan for three guest parking spaces which they will try to fit in while still allowing the space for a turn-around as required by the Fire Department.

Mayor Muhlfeld closed the public hearing and turned it over to the Council for consideration.

Councilor Sweeney made a motion, second by Councilor Feury, to approve WCUP 15-03 along with the Findings of Fact in the staff report and the fourteen (14) conditions of approval as recommended by the Whitefish Planning Board. The motion passed unanimously.

Mayor Muhlfeld called for a short recess and the Council reconvened at 8:57 p.m.

d) Consideration of approving schematic design for the City Hall/Parking Structure Project (p. 265) (CD 1:36:44)

i) Presentation by Mosaic Architecture

Mosaic Architect Ben Tintinger said he is looking for some decisions from the Council this evening so the project can move forward in design development. The Council packet includes notes from the last City Hall Committee Meeting wherein most of the members weighed in on the issues the Council will be making decisions on tonight. He is bringing some of their recommendations forward in his presentation tonight, hopefully to show all the options. The first screen of his presentation tonight showed 12 slides of the progression of the building. He said tonight he would run through the Schematic Design, Stair Options, and Parking and Retail Components, however he said they haven't changed much. Other items he can discuss if it is the Council's wish are the Project Goals, Building program, Concept Design – Plan Schemes, Project Cost & Budget, and Design Context/Example of Historic Images. He said the programmed space is still 24,000 square feet so costs estimates have not significantly changed. A decision tonight should be the design for the corner of Baker Avenue and 2nd Street; options previously discussed are a 90 degree corner with a two-door entry, or a 45 degree chamfered corner with a single entry; and he showed images of those two designs for all street elevations. These images show a consistent building face of brick, and he has used the arched window at the entry only and removed arched windows from both sides. He also had versions with and without the third floor, as requested by the Council the last time he was here. He noted in the version without the 3rd floor his diagram includes a pop-up window as an option to give the Council Chambers more natural light. The next slides showed the entryway for both the 45 degree angled entry and the 90 degree corner entry; these slides also showed the difference in the west hallway of the 1st floor – either with a curved wall or a straight wall, a decision he is asking for tonight. Another decision to be made tonight for the first floor is whether there will be a free-standing stairway going up from mid-lobby, or a stairway that wraps around the elevator. Both in his presentation of these options and in the packet he included diagrams with measurements of the hallway and the lobby (packet pages 305 and 308). He said the staff areas behind these features have stayed pretty much the same all along. The second floor changes is that a large meeting room has moved to sit above the entry; and the opening that is open from the first floor to the 2nd floor is smaller. The 3rd floor, if built, still includes a community/multi-use room, a staff break room, restrooms, a mechanical/electric room, and the overlook into the Council Chambers. The height of the siren tower comes down a bit without the 3rd floor.

Ben included some costs estimates; he said they are not presented the same way a contractor's estimate will be formatted, but it can give the Council an idea; and he reviewed the following:

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| General Conditions: Existing Building Demolition - | \$276,500 |
| Site Development & Parking Garage (231 spaces @ 22,000) | 5,299,400 |
| City Hall as programmed 24,029 square feet (no 3 rd floor or expanded basement) | 4,923,430 |
| 3 rd Floor and Expanded Basement (adding 2657 sq ft to basement) | 1,282,310 |
| Added Retail space in Parking Garage | 598,000 |

He split Development Costs and the 5% reserves for Building Contingencies among the different options and totals for the basic 24,000 square foot City Hall plus the parking structure estimate is \$12.35M, and with the 3rd floor, expanded basement, and Retail Space included the estimate is \$14.5M. Furnishings are estimated at \$420,000. These estimates do not include a 3rd elevator.

ii) Public Hearing

Mayor Muhlfeld opened the public hearing.

Ross Anderson, 409 W. 4th Street, spoke in support of the square entry, he thought it was very handsome and the right fit for Whitefish City Hall. He preferred the curved west wall, he said it should help visitors maneuver around the lobby. He also preferred the free standing stairway in front of the lobby and said it supported the curved hallway, and encourages people to use the stairs which is fitting to the town's character.

Rhonda Fitzgerald, 412 Lupfer Avenue, said she thought it was great how far this important project has come. The evolution of it has been great and she felt they have finally arrived at something the community will be comfortable with a construction target of \$12.3 - \$12.7 million, and will serve the community well. She thanked everybody for their hard work. She preferred the diagonal entry because it energizes both streets – Baker Avenue and 2nd Street. She said since there is not parking on 2nd Street anymore she thought more people will be coming into the building from Baker Avenue; and the diagonal entry gives an openness to the Railway District. She likes the wrap-around stair because it leaves an open lobby; the open-air stair in the middle of the lobby is unappealing to her. She prefers the straight wall – she said the curved wall seems contrived to her. Other design details she said would come up later, but these three items need to be decided on to move the project forward. She gave the council a picture of the original city hall below the Mosaic Design of the diagonal corner and thought it showed how that new design matched the old one the best. (Picture has been appended to the packet).

Mayre Flowers complimented the hard work that has been done. She remembered when the County was planning the court house renovation and also when Kalispell remodeled their city hall, both were long, agonizing processes. She said this looks like a quality building for the city, the Council should get long-term respect for the finished product.

Vanice Woodbeck, 600 Wisconsin Avenue, said she had thought she would like the diagonal entryway but with the schemes as presented tonight she prefers the 90 degree angle scheme. The curved walls are appealing to her and it will help customer traffic flow. She said the open stairway would be more convenient than the wrap-around stairway. The design for the wrap-around the elevator brings the elevator out further into the lobby and cuts off the sightline between the front offices. She said leaving those sightlines open from one side of the offices to the other will make it easier for directing customers

to the counters and departments they need to go to. She said the open-air stairway leaves those sightlines open and is more customer friendly; and leaves a cozier lobby – not one that is quite so big.

Necile Lorang, City Clerk, said at the last city hall committee meeting she held up a picture of two of the four diagonal-cornered buildings planned to be built in a 3-block span, and she hoped that we could plan a more distinctive building for City Hall and preferred the squared-corner entry with doors off of both 2nd Street and Baker Avenue.

Mayor Muhlfeld closed the public hearing.

iii) **Discussion and consideration of approval from City Council**

City Manager Stearns said in addition to the 3 design elements discussed during the public hearing he thought the Council should also make the decision whether there are one or two elevators in the parking structure.

Councilor Hildner made a motion, second by Councilor Barberis, to approve the 90 degree angled entry. There was some discussion and Mayor Muhlfeld said for the record – in the staff report that included the committee’s preference on these options, it showed him voting for the 90 degree corner and during that meeting he actually had not given his preference for either design; he was okay with either, but he did agree with Councilor Anderson’s comments tonight that the chamfered corner might open up that corner to more light than the 90 degree corner. **The motion passed on a vote of four to two, Councilors Anderson and Frandsen voting in opposition.**

Councilor Barberis made a motion, second by Councilor Hildner, to approve the curved west wall on the first floor. Council discussion followed. **The motion passed on a vote of four to two, Councilors Anderson and Frandsen voting in opposition.**

Architect Tintinger said the curved counter will go hand in hand with the decision just made on the curved wall and will not need separate consideration.

Councilor Frandsen made a motion, second by Councilor Anderson, to approve a stairway wrapped around the elevator. There was discussion among Council. Staff spoke to the issue explaining staff’s point of view of office procedures benefitting from the open stair. Mayor Muhlfeld said he would weigh in that he felt it was important to balance the function of employees doing their job with the need for the public to have a place to gather; especially if the option of the 3rd floor goes away for the time being he didn’t want to cut the public space short for city function. **The motion passed on a vote of four to two, Councilors Barberis and Hildner voting in opposition.**

Architect Tintinger brought up the parking structure design so the elevator could be discussed. He said one elevator is the standard for a parking structure this size. If the Council wants to add an elevator that is their choice, they can figure on a cost per elevator at \$125,000. Council discussed it further.

Councilor Frandsen made a motion, second by Councilor Anderson, to add an elevator in the southwest corner of the garage to have a total of three elevators in the project. The vote was a tie vote with Councilors Feury, Frandsen and Anderson voting in favor and Councilors Barberis,

Hildner, Sweeney voting in opposition. The Mayor voted in favor so the motion carried on a 4 to 3 vote.

Mayor Muhlfeld asked Architect Tintinger to bring up the schematic he had on the basement. Manager Stearns said while that is coming up on the screen he would say, as he had mentioned earlier to the Mayor, that the decision on the size of the basement might not have to happen tonight but that would be coming up for a decision soon, along with whether or not there will be a third floor. The architect said he could advise the Council of the timeline when that needs to be finally determined. Ben said both those elements can be carried forward during design development, but that does run into construction drawings because with design development they start to develop a model that constructions drawings get their base from. Design development gets into materials and making sure all the rooms designed schematically works dimensionally; construction drawings are the nuts and bolts. Knowing the decision about the basement will determine foundation and load needs. A 3500 square foot basement was figured in the 24,000 total square feet. His presentation tonight includes a 6200 – 6300 square foot basement versus a full basement which would be almost 8000 square feet. His drawing takes into consideration the shoring needs brought up by Martel Construction at their last meeting. Manager Stearns redistributed a spreadsheet that Council could refer to from their January 20, 2015 meeting with the architect where he had cost estimates for an additional 4,145 square feet of basement. Now, with the shoring needs, it would only be an addition of about 2,600 square feet – so the additional cost would be proportionately lower. Manager Stearns also explained that in his spreadsheet the method of costs estimates differed from the architect's methodology, so at a glance it looks different. More discussion between Council and the architect; and Ben said regarding cost, the additional basement is probably about the same as the additional elevator.

Councilor Frandsen made a motion, second by Councilor Barberis, to approve construction of a full basement with the needed laybacks for shoring; the final end cost will be determined by how the basement interior is finished, or could be done along the way. Mayor Muhlfeld asked Ben what that would bring the basement up to and Ben said about 6200 square feet. Council discussion. Ben explained further, regarding costs, it comes down to logistics; during excavation, it would be easier to dig one big hole than dig a part here, leave a part there, dig another part over there; there will be parking in the basement of the garage. The Mayor asked and Manager Stearns said by applying his method of cost estimates, the difference between a 3535 square foot basement and a 6200 square foot basement would be about \$316,000; and Ben said he also did a quick calculation and came up with about a \$300,000 difference. Mayor Muhlfeld weighed in on the motion saying he didn't think a 6200 square foot basement was needed and as a cost-saving option he supported a 3535 square foot basement. **The motion failed on a two to four vote, Councilors Barberis and Frandsen voting in favor and Councilors Anderson, Feury, Hildner and Sweeney voting in opposition.**

Councilor Anderson made a motion, second by Councilor Feury, to approve construction of 3535 square foot basement. The motion passed on a vote of four to two, Councilors Barberis and Frandsen voting in opposition.

Mayor Muhlfeld said the next item would be the direction, if any at this time, on the third story. He said he has been giving it a lot of thought, and he asked to make a few comments. His preference would be to direct Ben and his team to engineer the structure for future construction of a 3rd floor. He said cost estimates for design and construction of a 3rd floor is about \$1M. He said this structure is being built with Tax Increment Financing (TIF) funds, and after reviewing the 1987 Urban Renewal

Plan he felt that \$1M might be better spent in future support of economic development; more important than a community room on the 3rd story of a city hall structure. From page 172 of the 1987 Urban Renewal Plan he quoted: "The diversification of the City's economic base is a goal that must receive high consideration because of the impact that it has on many aspects of urban renewal and development.....New businesses in Whitefish will lead to new jobs, new housing and new investments by private individuals and companies. The end result is a stronger economy for both government and for private (businesses)."¹ He said when he looks down the road on the updated TIF Balance Sheet (packet page 370), he doesn't see dollars available to assist in economic development until 2020. He said one project that comes to mind is the Idaho Timber property. He felt like the elimination of the construction of the 3rd floor on city hall is being fiscally responsible. He turned it over to the Council for their consideration. On a question from Councilor Frandsen, Ben said their contract takes them through to design development, costs of engineering for a 3rd floor versus constructing a 3rd floor would be determined in the construction drawings; so to accommodate that it will take an addition to their contract. That next phase will answer a lot of questions. Steve from Martel Construction agreed, for a minimal cost, you can prepare to grow into a 3rd floor.

Councilor Anderson made a motion, second by Councilor Frandsen, to not build a third floor but to engineer and design the building so it can be added later. The motion passed unanimously.

8) COMMUNICATIONS FROM PARKS AND RECREATION DIRECTOR

a) Consideration of selection of engineering design consultant for preliminary design of Depot Park Master Plan Phase 2 and approval of contract (p. 338) (CD 3:10:28)

Parks and Recreation Director Butts reported that after advertising for and interviewing consultants, the Parks and Recreation Department ranked Robert Peccia and Associates (RPA) along with their team, including Bruce Boody and Ross Anderson, the highest. The Parks and Recreation have negotiated a contract with RPA for services not to exceed \$88,300, from TIF funds that have been set aside for this project for this fiscal year. The consultant work should be complete by October of this year, and if funds are available for construction a Request for Bids could go out for construction in the Spring of 2016. Mayor Muhlfeld asked for details of Phase 2. Director Butts said they had to re-identify Phase 2 as Phase 1 wasn't completed according to its plan. Phase 2 encompasses the eastern portion of the park; streets, sidewalks, water feature and gazebo. At the same time they will be planning for the entire park so phases can be coordinated. Manager Stearns added that the two street corners on the east side of Depot Park will be included in this phase, to be built up with tabled intersections as intersections are on Central Avenue. There will be an option for the Council to consider whether or not to construct all four corners of those intersections. Manager Stearns also brought the Council's attention to the spreadsheet he provided in his report that is packet page 370 that the Mayor referred to earlier on TIF projects; and the fact that there aren't funds available for new projects until 2020, but there are funds to complete this Phase 2.

¹ March 1987 City Clerk's File copy of Plan pg. 14

Councilor Hildner made a motion, second by Councilor Frandsen, to authorize the execution of a consultant contract with Robert Peccia and Associates, in an amount not to exceed \$88,300, for engineering services for the Depot Park Master Plan Project. These services will include surveying, conceptual design, and preliminary outreach, allowing for a refinement and update to the Master Plan to be presented to the public during monthly Park Board meetings and approved by the Park Board of Commissioners. Additional services for final engineering design and construction management will be subject to future negotiations and Council approval. The motion passed unanimously.

9) COMMUNICATIONS FROM PUBLIC WORKS DIRECTOR

- a) Discussion and direction on cost and desirability to pay to convert the overhead utilities on the West 7th Street Reconstruction Project (Resort Tax) to underground utilities (p. 355) (CD 3:16:06)**

Interim Public Works Director Hilding reviewed her staff report that detailed seven different issues explaining the difficulty of undergrounding the transmission lines on W. 7th Street. Council's decision will give direction whether Flathead Electric Coop should proceed with a feasibility study concerning the undergrounding of power. She pointed out if undergrounding the transmission lines was approved, individual service line remain above ground unless the individual property owner pays to have their service line underground also; there are about 15 service poles currently existing. Ryan Mitchell from Robert Peccia & Associates reported to the Council they had 2 public meetings attended by residents of that area; of the 30 written responses on a survey distributed at the last meeting 18 responses did not want undergrounding of the utilities and 8 responses wanted it.

Councilor Anderson made a motion, second by Councilor Frandsen, to not underground power on the W. 7th Street reconstruction project. Discussion followed regarding past Council decision to underground power on the East 2nd Street project. Ryan explained that the project on E. 2nd Street where they did underground almost all, but not all, of the power were residential lines; single phase, secondary, lines. They did not underground the 3-phase primary lines, and that is what goes out on W. 7th Street. Councilor Anderson said the decision at that time was to look at each new street reconstruction project individually whether or not to underground power. **The motion passed unanimously.**

- b) Consideration of an amendment to the engineering design contract with Robert Peccia and Associates for the final design and construction drawings for the West 7th Street Reconstruction project (Resort Tax) (p. 361) (CD 3:25:28)**

Interim Director Hilding reported the preliminary engineering phase is 95% complete and Robert Peccia and Associates are ready to move forward with Phase II, project design, which will be Amendment No. 1 to their original contract. She shows in her report those items included in this amendment for \$212,600 from the Resort Tax Fund.

Councilor Feury made a motion, second by Councilor Frandsen, to approve Amendment No. 1 to our consultant agreement with RPA providing for engineering services to design the West 7th Street Reconstruction as described in the staff report in an amount not to exceed \$212,600. The motion passed unanimously.

10) COMMUNICATIONS FROM CITY MANAGER (CD 3:27:21)

- a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 368) – None.**

b) Other items arising between February 25th and March 2nd

Manager Stearns reported he has been working with the State Revolving Fund program (SRF) on the \$8,532,000 loan bond (which includes reserve requirements) and they have agreed to adjust the amortization schedule to match revenue by putting more principal repayment back in the schedule so that it matches our estimated Resort Tax cash flow; which will make it more possible for us to meet the payments without borrowing from the water fund. He said it does increase the interest costs but at the low interest rates it won't be that significant. He will try to have that schedule ready to include in the Council's next packet, he said. Mayor Muhlfeld said that was great news.

c) Consideration of selecting Mike Cronquist as the Owner's Representative for the future City Hall/Parking Structure project and approving the contract (p. 371)

Manager Stearns noted the negotiated contract is based on payment for time and materials, so he is paid only for the time that he works on the project; not to exceed \$332,130.00 for services performed pursuant to the Scope of Services if the project extends twenty-four months.

Councilor Hildner made a motion, second by Councilor Frandsen, to approve selection of and the contract for Mike Cronquist as the Owner's Representative for the future City Hall/Parking Structure project. The motion passed unanimously.

11) COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS (CD 3:30:50)

a) Consideration of a change to April 20, 2015 schedule for work session and public hearing/consideration of Resolution for Hwy 93 West Corridor Plan (p. 398)

Manager Stearns explained that Director Taylor will miss the April 20, 2015 Council meeting and staff has considered holding the worksession for the Hwy 93 West Corridor Plan at a different meeting. Some public input has been received that the work session and the public hearing on this plan should be held on different nights allowing optimum opportunity for public and Council's review. Following discussion the dates of March 16, 2015 was set for a worksession on the updated Downtown Master Plan; April 6, 2015 was set for a worksession on the Hwy 93 West Corridor Plan; and April 20, 2015 was set for Council's annual review of the City Manager and City Attorney along with a goal-setting session.

b) Confirm dates for FY16 budget work sessions and budget public hearings (p. 399)

Staff presented the FY2016 Budget Calendar and the Mayor and Council did not request any changes.

c) Email from Angel Dominguez regarding Birch Point Quiet Zone and railroad train warning horns noise (p. 400)

Interim Director Hilding said she would try to contact BNSF for any updates.

COUNCIL COMMENTS:

Councilor Feury said he agreed with Nick Palmer's public comment regarding the new manhole covers on 2nd Street, they need to be reset for smooth driving. He also commented that their action allowing budget authority at the last Council meeting for the extended season at the ice rink this spring was just that, a budget issue; how city park facilities are used is up to the Park Board.

Councilor Feury made a motion, Mayor Muhlfeld asked for a second, to extend the meeting to 11:15, according to rules established in Resolution 08-10. The motion passed unanimously.

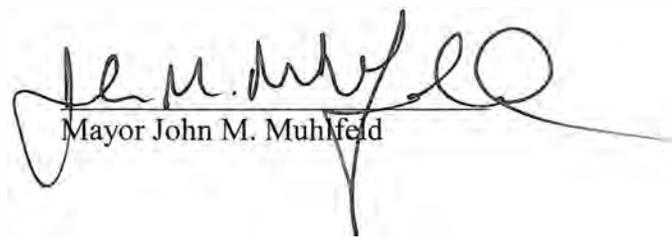
Councilors Frandsen and Anderson were in agreement with Nick Palmer and Councilor Feury regarding the manhole covers on 2nd Street. Councilor Anderson asked if a letter from the Council to the State might help and Interim Director Hilding said she would talk to the State's project director about it; they will be coming back in April to start Phase II of the project.

Councilor Barberis spoke in support of Whitefish working in cooperation with the county's efforts to increase recycling opportunities.

Mayor Muhlfeld said in follow-up of tonight's worksession, will staff be able to draw up a letter to the Planning Board and Director Taylor said they would do a draft for the mayor to review before he had to leave town. Mayor Muhlfeld asked if staff is prepared to start the needed lakeshore regulations update and Director Taylor said they are ready, they were waiting for the go ahead, which they got from tonight's worksession.

12) ADJOURNMENT (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority)

Mayor Muhlfeld adjourned the meeting at 11:03 p.m.



Mayor John M. Muhlfeld

Attest:



Necile Lorang, Whitefish City Clerk

Please return to Necile

PUBLIC HEARINGS

PLEASE SIGN IN TO SPEAK ON A SPECIFIC PUBLIC HEARING 3/2/15

PLEASE PRINT NAME and ADDRESS

Whitefish Crossing PUD
60 Units - 6348 Hwy 93 S

Spotted Bear Spirits Micro-
Distillery - 505 Railway St.

Timberlane Real Estate-Four
Condos - 722 Edgewood Pl.

City Hal/Parking Structure
Project - Schematic Design

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|-----|------------------------------|---|--|---|---|
| 1. | Phyllis Quinlan | ✓ | | | |
| 2. | D Sperry | ✓ | | | |
| 3. | David Hunt 113 Park Knoll Ln | ✓ | | | |
| 4. | ROSS ANDERSON 409 4th St W. | | | | ✓ |
| 5. | Bruce | | | | |
| 6. | JAN METZNER | | | | |
| 7. | MARY FLOWERS | ✓ | | | ✓ |
| 8. | LAURIE COWNS | ✓ | | | |
| 9. | CITRUS HYATT | ✓ | | | |
| 10. | BEN DAVIS | | | ✓ | |
| 11. | MHONDA FITZGERALD | | | | X |
| 12. | | | | | X |
| 13. | | | | | |
| 14. | | | | | |
| 15. | | | | | |
| 16. | | | | | |
| 17. | | | | | |