

WHITEFISH CITY COUNCIL MINUTES

February 2, 2015

7:20 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, Senior Project Engineer Hilding, Parks and Recreation Director Butts, Interim Fire Chief Page, Police Chief Dial, and Senior Planner Compton-Ring. Approximately 75 people were in the audience.

2) PLEDGE OF ALLEGIANCE

Mayor Muhlfeld asked Kelly Marchetti to lead the audience in the Pledge of Allegiance.

3) 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) (CD 1:04)

Kelly Marchetti, 216 Central Avenue (Sprouts), said she has owned the store ‘Sprouts’ for 19 years. She spoke in support of a 1% increase in the Resort Tax, however she said she does realize it may have more impact on other retailers with larger ticket items that are taxed, and she said she was only speaking for herself.

Joan Vetter Ehrenberg, 744 Hidden Valley Drive, spoke in support of a 1% increase in the Resort Tax to raise funds to protect the water quality of Whitefish’s water supply.

Karen Reeves, 230 Missy Lane, spoke in support of the Haskill Basin Project to protect water quality. She said she believes in paying her fair share so she shops in Whitefish, not Kalispell, and pays resort tax. She said it was a great project and told the Council to go “full speed ahead.”

Heidi Van Everan, 4 Pine Place, Executive Director of Whitefish Legacy Partners, said she was proud of the Haskill Basin Project, it will be of great value to the community to not only protect water quality but so much more. As a member of the community, and representing her organization, she will help all she can.

Lisa Jones, 314 Blanchard Hollow Lane, said the Haskill Basin Project is an incredible project and she spoke in support of it. Regarding the 1% increase in resort tax she said she remembers when the resort tax was first proposed along with the uproar, but retail has thrived in Whitefish. She said she certainly had respect for Whitefish businesses but felt that the resort tax increase was the best option for how the community could fund this project. The other options, a water rate increase or property tax increase would make it more difficult for those already struggling who are on fixed incomes. She complimented Trust for Public Lands for their research on the project.

Jennifer Oliver, PO Box 4846 in Whitefish, spoke in support of a resort tax increase and thought the businesses would be in a great position to help sell it; she thought it was a minority of businesses who speak negatively about it. Regarding the Haskill Basin Project, she said time is of the essence. The timing is right for low interest rates and property costs. She said big money is here and more is coming. She said we need to protect our mountains and water supply, and recreation opportunities. She said during the work session earlier tonight Dan Graves from the Whitefish Mountain Resort spoke about the

skiers and visitors coming to their resort for the value in Whitefish and she said that is with the 2% resort tax in place, a 1% increase should not hurt. She said she would vote for the increase, it will be gone in 10 years.

Mayre Flowers, Citizens for a Better Flathead, 35 4th Street West in Kalispell, spoke regarding electronic recycling. Pacific Steel has reinstated electronic recycling; and she continues to work with the County on other recycling issues. She commented on the length of the last Planning Board meeting that lasted until midnight and said there were too many items on the agenda and too large a packet for the public to be able to read and comment on. She thought the Planning Board should set a time limit on their meetings, similar to what the Council has done.

Mark Van Everan, 4 Pine Place, said he had a letter in the packet and hoped the Council would direct staff to review Whitefish Policy on Park Land Fees. He said state law allows flexibility.

Durae Belcer, 230 Meadows Road, started to speak regarding the Hotel on Block 46 and the Mayor said she could speak to that during its public hearing.

Chris Schustrom, 504 Spokane Avenue (The Garden Wall Inn), spoke to the Council regarding options for funding the Haskill Basin Project and the public opinion survey recently conducted by the Trust for Public Lands (TPL). He said he was not in favor of a resort tax increase, but he did support the purchase of the Haskill conservation easement. He felt the survey was not objective, but was focused on gathering support for a 1% Resort Tax increase; so he requested a review of the survey by Dr. Norma Nickerson, Director of the Institute for Tourism and Recreation Research at the University of Montana, a department that collects primary data in the form of surveys and other methodologies. Dr. Nickerson's findings were:

175 voting residents is only 3.3% of 5,319 Whitefish residents of voting age according to the 2013 Census.

Disagreement with the effectiveness with telephone surveys, depending on methodologies.

Details of margin of error not well defined.

"Test voter priorities/benefits" was not fairly tested.

Survey did not go into funding options.

Is "to protect and preserve water quality and quantity" the honest reason behind the conservation easement?

Residents were not asked if they currently shopped in Whitefish, or whether a 1% increase in the resort tax rate would affect them.

Chris Schustrom asked the Council to consider this review during their deliberation on increasing the resort tax; he felt an increase would have a negative impact on local business.

4) COMMUNICATIONS FROM VOLUNTEER BOARDS

City Clerk Lorang spoke to the Mayor and Council and audience of the current notice that has been published in the local papers regarding vacancies on the Board of Adjustment and the Impact Fee Advisory Committee; and added that the Impact Fee Advisory Committee only meets once a year. City Manager Stearns described in more detail of the work done by the Board of Adjustment, and that it only meets as needed when there is an application for a variance.

Councilor Hildner reported that the Pedestrian/Bicycle Path Advisory Committee, along with the Park Board, have been reviewing plans for the BNSF Landing project. The Skye Park Bridge project construction should begin this summer. The Committee supports a path on the south side of Depot Park, and improvements on the viaduct that are included in recommendations from Crandall & Arambula in the Master Plan Update. The Committee supports hiring a consultant for a Pedestrian/Bicycle Path Master Plan. The Committee is considering setting up a "Tour the Trails Day" soon.

Councilor Anderson reported that at the Resort Tax Monitoring Committee's last meeting they held discussions on various projects and the nuts and bolts of the Resort Tax. Their meeting was held prior to any release of the public poll that was discussed at tonight's work session, and now that the survey results are out the Committee will be meeting again soon to review those.

Doug Reed, 520 Somers Avenue and Chairman of the Resort Tax Monitoring Committee, said they did have a discussion at their last meeting regarding the upcoming 7th Street Reconstruction Project and their recommendation is to not place utilities underground due to the high cost of that process.

- 5) 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 (CD 28:54))
- a) **Minutes from the January 20, 2015 Council executive session and regular session (p. 77)**
 - b) **Ordinance No. 15-02; An Ordinance amending Whitefish City Code Title 2, Chapter 3, as it pertains to members of the Board of Adjustment to remove residence in the extraterritorial jurisdiction as a requirement (Second Reading) (p. 90)**

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

- 6) 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. 15-03; An Ordinance adopting by reference the 2012 International Fire Code as adopted by the State of Montana; amending Section 9-1-1 of the Whitefish City Code to recognize said adoption; and allow continual adoption by reference of subsequent versions of the International Fire Code (First Reading) (p. 93) (CD 29:20)**

Interim Fire Chief Page said the adoption of the 2012 Edition of the International Fire Code (IFC), will remove any inconsistencies that currently exist between the codes used by the Fire and Building Departments; allowing them to work more efficiently. In addition, the adoption of the current Codes reflects positively when insurance companies establish appropriate fire insurance premiums for residential and commercial properties, (ISO Ratings). Manager Stearns explained the proposed ordinance also includes language for the future that the updated IFC can be adopted at the same time and by the same administrative process done by the City Manager's Office when updated Building Codes are adopted, all according to state law.

Mayor Muhlfeld opened the public hearing, and there being no public comment, Mayor Muhlfeld closed the public hearing and turned it over to the Council for their consideration.

Councilor Hildner made a motion, second by Councilor Feury, to approve Ordinance No. 15-03; An Ordinance adopting by reference the 2012 International Fire Code as adopted by the

State of Montana; amending Section 9-1-1 of the Whitefish City Code to recognize said adoption; and allow continual adoption by reference of subsequent versions of the International Fire Code (First Reading). The motion passed unanimously.

- b) Consideration of an application from Sean Averill on behalf of Whitefish Hotel Group, LLC for a Conditional Use Permit for a proposed hotel at 205 Spokane Avenue (Block 46) that exceeds 7,500 square feet and is proposed to contain 89 rooms with 72 parking spaces (WCUP 14-11) (p. 100) (CD 31:55)**

Senior Planner Compton-Ring drew the Council's attention to the revised site plans and building elevations of a 3-story building that started on packet page 233 that were submitted to the City Manager's office after her packet had been submitted to the City Manager for tonight's meeting. The revisions include a reduction in rooms from 89 to 86, and increases the parking spaces from 72 to 74 on land adjacent to and just south of the hotel, and about 5 on-street parking spaces. In the revisions the applicants says the project is now for an independent hotel instead of a franchise hotel, along with some other details that the applicant will be going into with their presentation. Customers will access the parking off the existing alleys at E. 3rd Street and Kalispell Avenue. A Conditional Use Permit is required for buildings with a footprint that exceed 7,500 square feet; hotels are a permitted use in this zone (WB-3), but the process requires a conditional use permit and conditions can be attached to the permit that the developer must meet. The Growth Policy identifies this area as Commercial, and the Master Plan that was adopted in 2005 identifies a boutique hotel as one of the catalyst projects. The Planning Board held two public hearings on this project, one in December 2014 and one in January 2015 because in December they had received an amended site plan and the traffic study. There was considerable public comment at both public hearings. The Planning Office has received over 100 comments, and she was sure the Council had received more. Of the 100, over half of them are a petition in support of the project and at least 33 are from citizens who have concerns about the project; those concerns are listed on page 129 of the packet. Planner Compton-Ring detailed the evaluation of the project based on the criteria required for consideration of a conditional use permit; and said this was an application for a hotel only, and does not include a bar and/or restaurant. That would have to be an application with a separate review. Condition #8 addresses requirements regarding a Beer & Wine and alcohol permits. Compton-Ring suggested the Council consider adding a condition of approval regarding the revised application that this project is not a chain hotel. Compton-Ring reviewed the building height according to WB-3 zoning regulations; architectural review is required that not only includes review of the building but also parking lots, pedestrian features, and landscaping. Compton-Ring's staff report also addresses Site Suitability; the site was a former gas station with a leaking underground storage tank and the applicant and staff are working with the Department of Environmental Quality to insure all standards are met and a condition of approval addresses these issues. Additional issues of accessibility and traffic flow, a parking analysis, employee parking, and discussion regarding issues of hotel parking in the adjacent residential area, landscaping, overhead utilities going underground, an engineered stormwater plan, provision of extra right/way to allow an 11-foot pedestrian/bicycle path along Spokane Avenue, the compatibility of this building in this neighborhood, were included in Compton-Ring's report as shown on packet pages 129 through 141. The recommended Conditions of Approval are on packet pages 141 through 143; and Compton-Ring suggested the Council could consider adding another condition if they wanted to give the Architectural Review Committee (ARC) additional direction along with their standards to consider during the ARC review. On a vote of 5 to 2, the Planning Board is recommending approval, adopting the staff report as findings subject to 20 Conditions of Approval, including an amendment to Condition #11, all as shown on packet pages 104 through 106, and Planner Compton-Ring reviewed those. The Planning Board also agreed to

recommend the Council carefully consider the impact of the roof top patio and associated activities, and to consider creating a residential parking district as discussed in her staff report. The Planning Board was ready to add a condition regarding on-street parking, but Compton-Ring said that was within the Council's authority.

Karin Hilding, Senior Project Engineer, explained some of the issues regarding the drainage of surface water and groundwater that they have been dealing with on this property. City Manager gave a further explanation of our current residential only parking area by the high school that is regulated by signage and enforced by the Police Department when complaints are called in. The other residential parking district he was familiar with and explained was around the University of Montana in Missoula, that involves having a parking permit for each vehicle.

Mayor Muhlfeld opened the public hearing.

Sean Averill from the Whitefish Hotel Group LLC addressed the Council. He said their plan has evolved to address concerns they heard from the public and the Planning Board. He said with him tonight were Roger Noble from Water Consulting and Brian Averill, both who could answer Council's questions; also other members of their team were Bruce Boody – Landscape Architect, Montana Creative – Architect, and TD & H – Civil Engineer. He said they have support from 64 of downtown's 71 businesses. One of the biggest changes was going independent, so they could take out the pool that was franchise driven, they are working on off-site employee parking, they are excited about this site one block off Central Avenue, it is a gateway into Whitefish and their guests can walk to downtown retail, bars, and restaurants. Their proposal fits what has been called for in the Downtown Master Plan as a catalyst project. He showed the breakdown of the lots, 19 of them, all zoned WB-3; and said if each one would have been developed individually, lot line to lot line, and no additional parking added, think of the impact of that block on the downtown in comparison to their proposed development which he feels will complement the downtown rather than competing with it. Their hotel will be built on the north portion of the block and parking will be provided in the back. He compared, on an aerial photograph, their proposed footprint in comparison to other buildings in close proximity with a footprint larger than 7,500 square feet; the school, the office building to the south at 307 Spokane Avenue, the church to the east and the First Interstate Bank. So he said their building does fit into the character of the neighborhood. He put up a slide from packet page 193 from their traffic study counting trips from Spokane Avenue: 35% goes west on 2nd Street and 35% goes south on Spokane Avenue, 15% goes north on Spokane Avenue, 5% goes east on 2nd Street and 10% goes west on 3rd Street. The traffic study showed the property going east on 2nd Street has had an overall decrease in traffic volumes over the last 10 years. The study says the total traffic volume increase caused by this project on the surrounding road system is between 2% and 4%. By going to an independent hotel; the current proposal is 86 rooms, onsite parking is 74 spaces, offsite leased parking is 16 (across the street to the south and to the west) and offsite public parking created is 5 that is public parking on 3rd Street newly created by this construction removing current curb cuts; for a total of 95 spaces. Sean described their plans for the promenade, he said Bruce Boody will go over it in more detail; but it will be an improvement of the current narrow sidewalks fit between the buildings to the south that are built up to the lots lines, then the sidewalk, then the curbs onto Spokane Avenue. Sean said they wanted to build a building that would stand for 50 years and looked like it had been standing for the last 50 years. He said their current rendering has evolved from an earlier, more modern look, and he introduced their architect, Aaron Wallace (Montana Creative) to describe it.

Aaron Wallace went back to the current site plan on packet page 233, and described the setbacks, including that the setback on the west side of the building is setback 13 feet to allow room for the promenade. He said with this site plan they don't get into the city utility infrastructure in the alley which was always a concern, and their current plan maximizes parking spaces for the area. He described a 3-story building with a basement for subsidiary public space and building support/mechanical space. He said they are using stone and brick and architectural elements to help create their timeless look, and a series of breakups to address the building mass. A patio is on the roof top at both the north and south side of the western portion of the building. The main building is 33', a couple popup areas are 35' and the elevator elements go up a little higher than that. The same building design at the front of the building is carried through to both sides and the back of the building.

Bruce Boody, Landscape Architect, again referred to the site plan on packet page 233 and said the primary entrance will be off of 3rd Street, with traffic entering into an alley widened to 20'. The east-west alley that enters back onto Kalispell Avenue has also been widened to 20' to allow room for emergency vehicles, as requested by the Fire Marshal. He said greater setbacks to development provide 3 public plaza areas along the west side; one at each corner and one at a center-point between the building and the parking area. He said in order to allow room for the promenade, the developer has to give to the city, either through an easement or a deed, an amount of land just about equal to one city lot, (25' x 130' lot) as shown on packet page 237. The existing easement and the promenade easement and building setbacks are detailed on Exhibits A, B and C on pages 234 through 236 in the packet; which Bruce Boody showed as he described those dimensions. The architect and landscaping team has been working with city staff and Crandall & Arambula to fit their building, the landscaping buffer, and the addition promenade easement all in.

Brian Averill called attention to the current rendering of the building on packet page 225, and said they are finally getting close to the look and feel of the building they want. He confirmed that this is not a franchise hotel, but will be independent. He said the Whitefish Lake Lodge is currently the only other large locally owned and operated hotel in Whitefish. They reduced their room count to 86 to be able to offer some larger suites; also basing their final room count on a formula calculating annualized occupancy in town and associated development costs. They hope to provide higher end accommodations with limited food and beverage services designed and intended to serve their guests. They do not intend to create a bar and restaurant but more a wine and beer and limited food service, not for the community. He said they envision their guests going downtown for major dining and entertainment purposes. He said this was one of the sites called out in the Downtown Master Plan for a hotel, and this is the only site downtown that has room for a hotel with parking. There is a Montana State study projecting an economic benefit ratio of \$1 to \$9. If \$26.5 million is spent in local businesses by travelers of the hotel; retailers will profit around \$5.83 million in annual sales from hotel visitors, and restaurants and bars will profit around \$5 million in annual sales from hotel visitors. Community Tax Benefit projections: Whitefish Resort Tax \$59,000, Tourism Promotion Assessments \$29,500, and TIF/Property Tax \$100,000. Brian brought up the parking and said they currently shuttle their Whitefish Lake Lodge staff back and forth to work in the peak seasons of summer and holiday times, it is not regulatory but have found that it works well for them and they anticipate doing the same at peak seasons for this project. In addition, because they know parking is at a premium in Whitefish, they will need their onsite parking during the summer months and holidays, and less at other times. They foresee opening up their parking to the community on a controlled basis during those times it is not needed for their business, doing their part in providing community parking as they can. A residential parking plan to benefit those residential neighbors is not yet in place, but they anticipate being in support of that if it is of benefit to the residential community. They feel their summertime and holiday traffic

will not be an impact to the school traffic; and not all their guests leave at 8 or check in at 5 but arrivals and departures are spread throughout the day so should be of minimum impact to surrounding businesses.

Sean Averill introduced Mark Loncar, 422 Central Avenue, who has been working with them on theme development just since they decided to go with the independent hotel. Mr. Loncar explained their theory of establishing an identity for the hotel, and it is early in the game because he has only been working on it for a couple days but they are thinking of working around the name of "Empire Hotel".

Mayor Muhlfeld asked if there were public who would like to comment. (CD 1:30:11)

Jeffrey Anderson, PO Box 1242, Whitefish, spoke against the project. He said he did not think it was an exciting project but an overwhelming project; massive and not within the character of the town and he thought it should have been reduced from 89 rooms to 64 instead of 86. He said he was not against growth but had concerns about the impact to the Police Department, the school across the street, and the 'liability' of underground toxic waste becoming a burden to the taxpayers. He said the list of concerns of others that Planner Compton-Ring read during her staff report was powerful. He said this might be a great idea but the wrong place – the developers are banking on continued economic growth, but lately that trend has been going down. He said in the developers' words; the purpose of the project is to provide services for their guests, it is not for the community. He said it is way too big, big impacts, and environmental concerns are a big potential problem. He thanked the Council for their time.

Leo Rosenthal, 236 Columbia Avenue, spoke against the project. He said he lives one block east of this project in an historic neighborhood, all older homes. He said this is the block where everyone brings their kids to on Halloween for trick or treating. He asked the Council to deny the conditional use permit (CUP) on the basis the project is too big, parking is an issue, the development displaces current parking for 30 to 40 cars, there will be snow removal impacts, parking problems for the adjacent residential neighborhoods and a possible burden on those neighbors if it becomes up to them to police those who are a parking violation, and the rooftop patio is not appropriate for the area that close to the neighborhoods and across from the school. He said on a nice summer night he hears the rooftop bar at Casey's which is five blocks away, so he asked them to imagine the noise from something so close as one block away. He said the Downtown Master Plan calls for a small hotel and he requested the Council uphold that vision; he said a hotel about half this size would be a better fit with the zoning and to the Whitefish character, and would not negatively impact an historic Whitefish neighborhood. He asked the Council to scale this down, he disagreed with Planner Compton Ring that they aren't asking for exceptions; he said this project is too big and will forever change the face of Whitefish. He asked the Council to think of the residents – Whitefish is where they live and work and enjoy, it is not just for tourists. He asked the Council to uphold this philosophy and deny the CUP, keep Whitefish like it is.

Erica Mortensen, 2650 E. Edgewood Drive, spoke against the project. She said she has two children and is concerned about the safety and security at the school across from this project. She said the hotel will have windows that look directly into the school; and customers who come and go on irregular schedules that would be hard to monitor and difficult to pick up on if anything is suspicious. She said it is disappointing that it seems like many land decisions are made from the tourist's perspective and not of those who live and work here in this community. She asked the Council to consider the impact on the safety and security of the kids in this community, she said she is vigorously opposed to this hotel.

Durae Belcer, 230 Meadows Road, spoke against the project. She said she used to live on Kalispell Avenue and now lives outside of town but still has concerns about this project. She spoke against the size adjacent to a residential neighborhood and felt 86 rooms did not fit a boutique hotel as called out in the Master Plan, and it would be a dramatic change to the neighborhood. Because they had to reduce their building to allow room for the promenade maybe they should reduce their building even more, there may be parking issues and problems for the residents, contaminated ground water, a rooftop patio that isn't appropriate next to the neighborhoods; maybe this isn't the right place for their hotel. She said there isn't a benefit to the existing neighborhood, just to the visitors that come to town. The size is not appropriate, it will change the character of the neighborhood and it won't blend in.

Chris Schustrom read a letter to the Council from Rhonda Fitzgerald in support of the project. She supported an independent hotel and thought the redesign fit the character of downtown Whitefish. She said visitors to Whitefish seek an "authentic sense of place".

Karen Reeves, 230 Missy Lane, spoke against the size of the project. She was hoping it would have been reduced to a smaller hotel, this one is too big and there isn't enough parking.

Mayre Flowers, Citizens for a Better Flathead, 35 4th Street West in Kalispell, said her email had been distributed earlier to the Council wherein she listed her concerns regarding the size of this project, traffic and parking issues both for hotel use and spilling into the neighborhoods, prohibition of "formula retail", and regulation of noise from a rooftop patio. She said this application has been amended several times and with yet a new plan just submitted tonight – staff and public have not had the time for complete review nor the time to formulate their comments; and she said the City should change their regulations and process to prevent this kind of thing from happening. She said this does not meet what was called for in the Master Plan which was a 36-room boutique hotel. She had concerns over the findings and said the conditions of approval should align with the facts. (Submittals are appended to the February 2, 2015 Council packet as after-packet materials).

Jeff Raper, speaking in support of the project on behalf of the Chamber as a member of the Board of Directors, and said the developers had given a presentation on the project to the Chamber. On a business perspective, he said there is a formula to determine number of rooms based on several things including economics, zoning, development costs, and sustainability. His family faced that years ago when they bought a 7-cabin facility that, in order to make ends meet, became the 66-room Pine Lodge. He said this is 19 lots with WB-3 zoning that if developed individually could have a much greater impact than this one building with nice setbacks.

Lauren Walker, has a business address of 713 E. 13th Street, spoke against the project. This project is asking for special permission. She thought this was a bad location for a hotel this size; the developer says they can't go smaller or their numbers won't crunch so she thought they should look for a different site. She said the same developers have a large project to build out on East 2nd Street and she thought it would be best to see how that project impacts the community before another project is approved. She said once this hotel is built on this site, it won't go away. She thought the site would be better for affordable housing.

There being no further public comment, Mayor Muhlfeld closed the public hearing and called a recess at 9:30 p.m. The Council reconvened at 9:42 p.m.

Some of the Council had questions answered by both applicants and staff. Councilor Anderson said he was recusing himself both from the discussion and the decision on this project.

Councilor Sweeney made a motion, second by Councilor Feury, to approve a Conditional Use Permit for a proposed hotel at 205 Spokane Avenue (Block 46) that exceeds 7,500 square feet and is proposed to contain 86 rooms with 74 parking spaces along with the Findings of Fact in the staff report (WCUP 14-11) and the amended twenty conditions of approval as recommended by the Whitefish Planning Board, and with the addition of Condition 21 to read: “The hotel shall be required to maintain employee parking at an off-site location in order to ensure the hotel parking lot is used for hotel guests.”

Councilor Sweeney made an amendment to the original motion, second by Councilor Frandsen, to add a Condition 22 to read: “Under no circumstances shall the roof top facilities be used as a bar, for music or other entertainment or for anything other than a patio.” The amendment passed with five aye votes, Councilor Anderson abstaining.

Councilor Frandsen made an amendment to the original motion, second by Councilor Sweeney, to amend Condition #1 to reference the most recent site plan dated 2-2-15. The amendment passed with five aye votes, Councilor Anderson abstaining.

At this point part of the Council asked the Public Works to have a viable parking plan in place at the time construction begins to address issues of this project impacting the parking in the adjacent residential area. Manager Stearns advised that is an extra task assigned to an already busy and short-staffed department; it may come to the point staff has to pick and choose what projects they have time to work on.

Councilor Sweeney made an amendment to the original motion, second by Councilor Hildner, to add a Condition 23 to read: “The hotel shall not be a chain or formula hotel.” The amendment passed with five aye votes, Councilor Anderson abstaining.

Councilor Hildner made an amendment to the original motion, second by Councilor Frandsen, to add a Condition 24 to read: “Mass, scale and character of the building shall be consistent with the Architectural Review Standards and the building shall be sensitive to the residential neighborhood to the east. No building wash lighting shall be permitted.” The amendment passed with five aye votes, Councilor Anderson abstaining.

The original motion, as amended, was approved with five aye votes, Councilor Anderson abstaining.

- c) **Resolution No. 15-___; A Resolution of Intention indicating its intent to adopt the Whitefish Highway 93 West Corridor Plan as an amendment to the 2007 Whitefish City-County Master Plan (2007 Growth Policy) (WPGA 15-02) (p. 240) (CD 2:45:08)**

Planning and Building Director Taylor introduced the staff report presentation saying that with the consultant, the WGM Group, staff and a Steering Committee have worked together on a land-use plan for this area over a period of time in nine meetings, four public outreach sessions, 2 work sessions with the Planning Board followed by a public hearing at the Planning Board to bring forward the recommendation for the intent to adopt the Whitefish Highway 93 West Corridor Plan. Bruce Lutz,

Sitescape Associates and the local support to the WGM Group, continued with the staff report, referring to the Project Description that starts on packet page 258 – an expanse of land from Whitefish River west to the western boundary of the Whitefish city limits. Members of the steering committee are listed on page 263 in the packet, and the process undertaken is described in the packet starting on page 262 through 264. Starting on packet page 265 is the detailed description of their process of analysis of existing conditions including uses, character, and zoning of each parcel and the descriptions of the public sessions and the outcome of those sessions, which was summarized by Mr. Lutz.

Director Taylor added to the presentation by going into detail of the Visioning for the Future and Development Policy as described starting on packet page 294 and Proposed Zoning Districts which started on packet page 361.

Due to the lateness of the hour and the impact and importance of this project; the Mayor said the Council had indicated to him that they would like to keep the public hearing open and schedule a work session to review this in depth.

Consultant Nick Kaufman, Land Use Planner from WGM Group out of Missoula, addressed the Council and requested to schedule a work session early in the day, and to include enough time to allow for public input and staff presentation time. Steering Committee Chair, Doug Reed, said Area B and the Idaho Timber sections are the areas with a lot of changes proposed and seems to be the sticking point with most people.

Councilor Hildner made a motion, second by Councilor Feury, to extend the meeting to 11:30 p.m. The motion passed unanimously.

Steering Committee member Hunter Holmes said he represents the new owner of the Idaho Timber property who is waiting for the zoning to be set in place before he decides which direction he will go with development of his new property.

Mayor Muhlfeld opened the public hearing. (CD 3:25:04)

Anne Shaw Moran, member of the Steering Committee representing residential owners, said even though the staff had been contemplating a corridor plan, the catalyst was Ryan Zinke's application for a non-zoning-compliant micro-brewery, which was eventually withdrawn because of what she called a successful neighborhood protest. At any rate, the decision was made to proceed with a public process to decide what would be best for the neighborhood in the future. She thanked all those that worked hard on this process and said her constituents are sending her with the message – don't approve this proposal - - the recommendations for Area B are highly contentious. The current proposed zoning showed up in a late version of this plan and does not have total consensus and has caused neighborhood polarity. It comes down to a corridor study versus a neighborhood plan. She said her constituents are more in favor of using existing zones for consistency and not creating new zones.

Gail Linne, 106 Murray Avenue, said she lives in Area D and agrees Area B is most contentious. Tonight she submitted 50 signatures on a petition asking the Council to not adopt the proposed Draft Whitefish Hwy 93 West Corridor Plan for one or more of the reasons cited by a report submitted by Mayre Flowers of the Citizens for a Better Flathead (CFBF) along with two pages that she (Gail Linne) submitted from that same report (submittals have been appended to the February 2, 2015 Council packet as after-packet materials). Points of concern on that CFBF memo are 1) Keep existing zoning for Area

B., 2) Don't allow short-term and overnight rentals or five or more multi-unit rentals in Area B, 3) Limit commercial uses along the highway corridor and in Area B, 4) Limit commercial uses along the river corridor, 5) Don't allow the 93 West Corridor to become lined with commercial uses which would create strip development patterns and traffic issues, 6) Don't allow lot coverage in Area B to increase from 40% to 70%, and 7) Set clear standards now for private parks like the Peace Park area.

Susan Prilliman, 334 W. 3rd Street, said she agreed with all of what Gail Linne and Anne Moran just said. She thanked the Council for their time and asked them to give this proposal their full consideration.

Ken Stein, 44 Fairway View, said he looks forward to having a work session and discussing his comments at that time.

Jim Laidlaw, 1230 Lion Mountain Drive and member of the Steering Committee, and also a property owner in Area B. He said they worked hard for 1½ years, gathered lots of public input, and agreed that yes, Area B is a problem area. Time needs to be taken to see what is going to happen with the Idaho Timber property as well as what is going to happen in that whole area and not just what can happen in the "right now", so he would like to see the transitional language to be carefully considered. He said the river is a very important aspect, and he didn't think that all options for that river frontage has not been fully considered. He said he'll address it further during a work session.

Randy Bradley, owns 514 and 526 W. 2nd Street, (part of Area B) and said he had a 10-condo project approved by Council but held off proceeding with that development because he thinks there might be better opportunities coming forward for that property.

Mayre Flowers, Citizens for a Better Flathead, 35 4th Street West in Kalispell, said her email sent earlier includes a consolidation of maps that she thinks will help both the Council and the public to see the changes that are proposed (submittals have been appended to the February 2, 2015 Council packet as after-packet materials). She called attention to comments regarding private parks like the Peace Park area, a traffic and travel plan for Area B, affordable housing and long-term rentals not short-term rentals. She stressed retaining the residential neighborhood of this area.

The Mayor asked if there was any further public comment and there was none, so he said the public hearing would be left open, and turned it back over to the Council for direction or action. The Mayor thanked the WGM Group and team, staff and Steering Committee for their work on this project.

Councilor Anderson made a motion, second by Councilor Frandsen, to continue the public hearing to the Council meeting on April 20, 2015, and to have a work session scheduled for earlier that same day, April 20, 2015.

Manager Stearns handed out a current city zoning map to point out existing industrial zones; he said it is rapidly shrinking. He said we have the former Idaho Timber lot, the city's snow lot plus a couple small lots that are Burlington Northern lots; and further east is the industrial park site. A couple industrial lots down on Baker Avenue but one cannot be used because it is dedicated as a stormwater drainage site, and the 40-acre parcel at the west end of 18th Street that is the City's shop site. He said he was just alerting the Council of this situation – industrial lands will enter into the City's options to offer lands with industrial zoning to help provide jobs for the community. He said it might enter into the final

decision regarding the proposed “transitional industrial zone” proposed in the Plan that was continued tonight.

The motion passed unanimously.

Councilor Hildner made a motion, second by Councilor Barberis, to extend the meeting to midnight. The motion passed on a five to one vote, Councilor Anderson voting in the negative.

7) COMMUNICATIONS FROM CITY MANAGER (CD 3:51:55)

a) Written report enclosed with the packet. Questions from Mayor or Council? (p. 440) – None.

b) Other items arising between January 28th and February 2nd

Manager Stearns said the annual evaluations for the City Attorney and the City Manager are due and should be scheduled for one of the open sessions as listed on his report in packet page 440.

c) Resolution No. 15-03; A Resolution relating to financing of certain proposed projects; establishing compliance with reimbursement bond regulations under the Internal Revenue Code (Tax Increment Bond for City Hall/Parking Structure) (p. 442)

Finance Director Smith submitted her staff report to the Council and said approval of this resolution will establish compliance with reimbursement bond regulations under the Internal Revenue Code regarding financing for the new City Hall/Parking Structure construction project, and she was available to answer questions if the Council had any.

Councilor Feury made a motion, second by Councilor Anderson, to adopt Resolution No. 15-03; A Resolution relating to financing of certain proposed projects; establishing compliance with reimbursement bond regulations under the Internal Revenue Code (Tax Increment Bond for City Hall/Parking Structure). The motion passed unanimously.

d) Mid-year financial report – Finance Director (p. 446)

Finance Director Smith submitted her staff report and said the City is in good financial standing. Revenues and Expenditures are tracking as expected with only minor deviations. She mentioned some highlights as set out on packet page 448 and she called attention to; the Columbia Falls Building Inspection revenues are 28% higher than at this time last year and 104% of budget; Ambulance Service Charges are approximately 6% higher than the previous year’s second quarter and are tracking as expected at 51% of the budgeted revenue; Zoning Plan Review Fees are at 76% of the budgeted revenue for the year; The Resort Tax collections are up \$65,704 or 5.23% compared to the prior year’s second quarter. She gave an overview of the Expenditure Review which followed on packet pages 448 and 449, which are generally tracking as expected. She said she would be happy to answer questions at this time or anyone is always welcome to drop into her office with questions. Councilor Hildner and Mayor Muhlfeld both complimented Director Smith for her clear and concise report.

8) COMMUNICATIONS FROM MAYOR AND CITY COUNCILORS (CD 3:56:06)

a) Letter from Mark Van Everen of Bridgewater Innovative Builders, Inc. regarding subdivision payment-in-lieu of fees for parkland dedication requirements (p. 457)

Councilor Anderson requested, with Council agreement, that this be placed on a future agenda for further review. Manager Stearns said it would be discussed at the Department Director's meeting as they plan for the next agenda.

- b) Reconsideration of prior City Council action on December 1, 2014 to pursue LEED (Leadership in Energy and Environmental Design) Certification for the new City Hall building (p. 460)

Councilor Feury made a motion, second by Councilor Frandsen, to reconsider Council's prior action on December 1, 2014 to pursue LEED Certification for the new City Hall building. The motion passed on a five to one vote with Counselor Hildner voting in opposition.

Councilor Frandsen asked the Mayor why it now seems that the cost to pursue LEED Certification turns out to be higher than first anticipated. Mayor Muhlfeld said it was due to the cost of submittals required by both the architect and the engineer on the project, but now felt that the Council can require designs to be drawn and construction be built to those certification levels and have the quality of a building they want without paying for that paper-certification, he said ultimately the decisions on this new construction project are the Council's. **Councilor Anderson made a motion, second by Councilor Sweeney, to build to a LEED standard, to be determined at a later date, but not pursue LEED certification for the City Hall project.** Councilor Hildner said he could not support the motion as he wanted to see the City as a community leader in LEED Certification for sustainable construction, it keeps the feet of all parties to the fire to have the building we all hoped to have built, and felt there would be long-term benefits with having the certification. Councilor Anderson said he felt the Owner's Representative that will be hired by the City for the project can follow-up to insure the City is getting the quality and value in the design and construction of the project.

The motion passed on a four to two vote, with Councilors Barberis and Hildner voting in opposition.

Council Comments: (CD 4:06:40)

Councilor Feury said to follow up on comments made by Mayre Flowers earlier, the last Planning Board did have a ridiculously long agenda, he felt many items were not time sensitive or had to be included in that meeting; he said nobody does good work after all those hours. He said it needs to be better managed. Mayor Muhlfeld said he agreed and that maybe they should consider adopting a similar time-limit as the Council did. Councilor Sweeney said he appreciates that and agrees but as a former Planning Board member he sat at many meetings that lasted until midnight. He said you can try to set time limits but look at tonight's City Council meeting, the time limit is set at 11:00 p.m. and they had to extend the limit twice tonight and let it run to midnight to take care of the business on the agenda. Sometimes it can't be helped, but maybe better agenda planning and management is the way to go.

Councilor Hildner made a motion, second by Councilor Anderson, based on the report given to the Council earlier tonight from Trust for Public Lands during their work session, to have a Resolution of Intent for a ballot measure to increase the Resort Tax by 1% for a period of ten years for the purpose of providing sufficient funds to complete the purchase of the Haskill Basin conservation easement and to further property tax relief.

Councilor Anderson said he wasn't sure if he heard percentages in this motion or if that was what they wanted to do at this point but specifics on that point might be more helpful. Councilor

Anderson said his understanding of the motion is the proceeds will be used 25% towards property tax relief, 70% towards the purchase of the conservation easement, and 5% for administration fees to the businesses for administering the Resort Tax; Councilor Hildner agreed with those percentages.

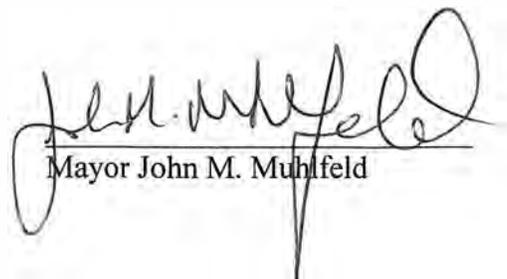
Manager Stearns clarified for the purpose of reporting to the Bond Counsel, that it is the intent of the Council to have the afore mentioned Resolution of Intent placed on the February 17, 2015 agenda under Public Hearings, to call for a special election to be held on April 28th. Manager Stearns handed out the ballot language proposed by Trust for Public Lands; they said it was important to preserve that language because it was tested in their survey. If the Council wishes, they could decide to add other language for clarification regarding the percentages or if excess funds were collected it would go towards property tax relief, or include the statement that this amendment does not affect the regulations set on the original 2%. There are some that say the additional language is more confusing than clarifying. Manager Stearns asked the Council for their thoughts. Councilor Anderson questioned whether or not the excess funds, if any, could be used to pay down the loan sooner; then when the loan is paid off the remainder of excess funds would go toward property tax relief. He didn't know if there were bond issues or covenants in place that would make that more difficult. Manager Stearns said they would consult with Bond Counsel and come back to the Council with options for their consideration. Manager Stearns asked and it was Council consensus to hold the special election by mail-in ballot. Mayor Muhlfeld said he has been working on this project for the last couple years and said this is 100% about water rights and water quality, time is of the essence, it is a one-shot deal, let's put it out to the voters. Councilor Feury said he feels we are going to pay for it one way or another – this is giving an option out to the voters to vote on.

The motion passed unanimously.

Councilor Frandsen said there will be a Town Hall Public Meeting Thursday, February 12th at 7:00 p.m. in the Council Chambers at 402 E. 2nd Street so Whitefish residents can hear and weigh in on the plans for the protection of Haskill Basin, the land that encompasses the primary source of the City's drinking water. Councilor Frandsen reiterated City Clerk Lorang's earlier comments regarding the need for volunteers to fill vacancies on the Impact Fee Advisory Committee and the Board of Adjustment. She said staff gives great support as needed for committee and board member's use to carry on the business they need to attend to so please, if interested, apply.

9) ADJOURNMENT (Resolution 08-10 establishes 11:00 p.m. as end of meeting unless extended to 11:30 by majority) (CD 4:26:42)

Mayor Muhlfeld adjourned the meeting at 12:00 a.m.



Mayor John M. Muhlfeld

Attest:



Necile Lorang, Whitefish City Clerk

NANDY MOLEY

Please return to Necile



PUBLIC HEARINGS

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

PLEASE PRINT NAME and ADDRESS

Adopting 2012 IFC
International Fire Code

Conditional Use Permit
Whitefish Hotel Group (B 46)

Intention to Adopt Whitefish Hwy 93W
Corridor Plan (Amd WF C-C Master Plan)

10%
Resor
Tax
increas

1.	DUANE REISCH		✓	
2.	Leo Wagner Rosenthal		✓	
3.	Mark VanEveren			
4.	Ken Erica Martens		✓	
5.	Jennifer Oliver P.O. Box 4846, WFMT			✓
6.	Anne MORAN 432 W. 3rd St. WF			✓
7.	Paul Lane			✓
8.	ERICK STAMONISSON		✓	
9.	DURKE DANIELS/BERGER		✓	
10.	CITLIS SCHUSTROM		✓	
11.	KIMEN REEVES		✓	
12.	MARY FLOWERS		✓	
13.	JEFF RAPER		✓	
14.	LAUREN WILKER		✓	
15.	HUNTER HUNES			✓
16.	SUSAN PERLEMAN			✓
17.	KEVIN STEW			✓
	JIM LINDMAN			✓