

**MINUTES
PAYETTE CITY COUNCIL
REGULAR RESCHEDULED MEETING
January 16, 2007**

A regular meeting of the Payette City Council was called to order at 7:00 PM by Honorable Mayor Douglas E. Henderson in the City Council Chambers of Payette City Hall, 700 Center Avenue.

ROLL CALL

Members Present: Mayor Doug Henderson, Ivan Mussell, Mark Heleker,
Georgia Hanigan, Vallery Klitch, Lee Nelson, Jeff Williams

Members Absent: None

Also Present: Mary Cordova, City Clerk; Kellie McCombs, City Treasurer; Doug Argo, City
Engineer; Jeff Sands, Fire Chief; Randy Schwartz, Wastewater Superintendent;
Captain Dave Platt; Street Superintendent Willie Hollis

PLEDGE

Mayor Henderson led the Pledge of Allegiance.

APPROVAL OF MINUTES

A. 1/02/07 Regular Meeting Minutes

A motion was made by Heleker and
seconded by Nelson to approve the
regular meeting minutes of 1/02/07.

Hearing no objections, the
meeting minutes were APPROVED.

APPROVAL OF BILLS & PAYROLL

A motion was made by Hanigan and seconded
by Nelson to approve the City Bills & Payroll
in the amount of \$177,331.14

At the roll call:
Ayes: Mussell, Nelson, Heleker, Williams, Hanigan, Klitch
Nays:

The motion CARRIED.

COMMUNICATIONS

A. Rose Advocates

RE: Building Update and Funding Status

Delores Larsen, 28 W. Idaho, Weiser, Executive Director of Rose Advocates, informed the Council that they were donated property for the construction of a new shelter. She explained that it has been slow coming, but they have stuck it out because they believe a domestic violence shelter is needed in this rural part of Idaho. Ms. Larsen displayed a building plan to the Council and stated that Rose Advocates has a plan to get the building constructed.

Cheryl Phillips, 705 Jaccaro Street, Caldwell, explained that they have run into a funding black hole. She asked the City Council to sponsor, as the granting agency, an application for a grant through the USDA to conduct a feasibility study. The study will identify building costs, funding partners, and maintenance and operation expenses. An informational outline explaining the application process and benefits was given to the Council.

Councilor Klitch asked if the feasibility study just look at sustainability. Cheryl Phillips stated that they are embarking on phase one right now, and phase two will be more specific to the grant. Councilor Klitch then asked, in the long and short of it, does it include what it will do for us City wide. For instance, if a building like that goes in, police protection will be much needed. Phillips answered that it addresses all of the economic and market requirements, planning & zoning, and all resources required. Councilor Klitch asked which counties will the building serve. Delores Larsen stated it would cover Washington, Adams & Payette County.

Councilor Hanigan asked Kellie McCombs if the City has administered grants like this before? McCombs replied that she did not remember, and suggested that this idea is run by the auditor to make sure it is okay. McCombs asked if the City will have to float any money for the grant. Phillips replied that no invoicing would be submitted until the projects have reached the benchmarks of being an acceptable document.

Councilor Heleker asked if Miss Brown and her organization a part of this effort? Delores Larsen stated that they were only allowed to use her name to raise money, and the effort did not work out.

Councilor Williams asked if this is the only site where they are planning to build a facility. Phillips replied this is the only site they are looking at. Ms. Larsen stated our home base will become Payette, Idaho, with our outreaches being the three counties.

Councilor Nelson stated since it is a grant, there is probably a lot of competition. What kinds of funds are made available for this type of study? They did not know, but feel they have a good opportunity to be funded.

Councilor Mussell asked if it is a 100% grant, is there any match. Phillips replied no, there is no match.

Councilor Klitch stated what she sees is "I have a dream", but what she hears them asking for tonight is a feasibility study to see if the dream has any sustainability. Ms. Larsen stated that they need the study to apply for the funding. Klitch asked is the grant for the feasibility study, and that is going to cover a lot of the City's assets, responsibilities and liabilities if we have

that kind of facility here. In her mind, it would benefit the City too, and if all we have to do is be the facilitator of the grant, it sounds like a steal of a deal.

Councilor Klitch moved and Mussell seconded a motion to be the granting agency to apply for the sustainability study, Phase 2, with the final approval coming from the accountant.

After a unanimous voice vote, the motion CARRIED.

B. Rick Greif
RE: Airport Appraisal

Rich Greif, Shelly Drive, stated he was previously asked by the Council to look into an appraisal on the airport. He then contacted Mark Ritchie of Idaho Land & Appraisal, and also Robert Bainbridge from Bainbridge appraisal. Greif described what he is looking for to the appraisers, and discovered an appraisal would be a minimum of \$10,000. At this time, it seems like the City does not know what it wants to do. In lieu of an appraisal, he contacted several realtors and asked for a broker price opinion. A Broker Price Opinion (BPO) basically is an assessment of comparable sales. Unfortunately, in the last couple of months, and the letters started hitting the newspaper, some realtors decided they didn't want their name popping up. Greif stated he did approach Mr. Williams; he declined due to a conflict of interest. Greif was only able to obtain two BPO's.

Greif continued that Mr. Blaha offered to pay for an appraisal on the following conditions:

1. Upon the sale of property, he wants to be reimbursed for the appraisal.
2. If the City chooses not to sell the property, he wants to be reimbursed.

Mr. Greif stated that in his opinion, the City needs to decide if they want to sell the property. If it does want to sell the property, they should pay for the appraisal. It is probably not a good position for the buyer to supply his own appraisal. An appraisal is a snapshot in time of what someone thinks the property is worth. Everyone in this room probably has a different opinion of what the property is worth. If the City gets to the point where they want to entertain the thought, the BPO's are probably in the ballpark. It would be in the best interest in the City to get a fact finding committee together to decide if this is a good idea for the City to do. Mr. Greif stated he talked with Mr. Bainbridge about moving the airport. The Payette Industrial Committee owns 80 acres north of Payette somewhere next to the railroad. Maybe there is a possibility of moving the airport.

Grief explained that at this time, he does not know. Because of the infrastructure and the growth path of the City of Payette and the things that are already out there, in his opinion the highest and best use is going to be a residential area, whether it is today or ten years from now, that is the way the growth path is going. The best use of the property would be to develop it in the future.

Councilor Nelson asked what the BPO's were valued at? Grief stated one is 1.3 million and the other is 1.6 million. Considerably higher than the million dollar offer on the table.

Councilor Klitch said Greif came to us and made an offer on the airport without any solicitation. What made you believe the land is for sale? Greif replied to Councilor Klitch that he would guess that her house is for sale today if the price is right. Klitch continued that in line with that, there are plenty of people who stand to gain some profit off of the purchase and development of the property. It did not make sense to her that someone from the outside would come into our city and say "I want to buy your airport for development, and I want you to pay all of the costs up front, you pay for the appraisal, and if you decide not to pay for the land, you can pay us back". Mr. Grief stated that the city needs to make a decision, and get the appraisal done whether they want to sell it or not. Mr. Greif continued that if I walked in and changed the offer, make it \$1.6 for a sales price, and I have an appraisal at \$1.5, am I out of my mind to offer \$1.6, or if I have an appraisal at \$1.7, and I offer you \$1.6 based on the BPO, am I \$100,000 under the price. We haven't even made a decision whether or not to sell the property. It doesn't make sense. If Mr. Blaha knew that we would sell it for a million, I'm sure he'd walk in today with an appraisal in hand.

Councilor Klitch said that considering all of the private land around the airport that could be developed, why are they not aggressively pursuing an offer with those people? Mr. Grief replied that is just the piece he looked at and asked me for.

Councilor Klitch moved that it be known publicly that it is the opinion of the Council that the airport is not for sale. Williams seconded the motion.

In discussion, councilor Heleker stated that is very cut and dry. He compared Klitch's statement with one Greif made earlier; if someone comes in next week and gives us fifty million dollars for that parcel out there, are we still saying we wouldn't consider that? Heleker pointed out that he wanted to keep the best interest of the entire community in mind. To make the motion so cut and dry; we should not vote on that.

Councilor Williams moved to amend the main motion by stating that anything less than three million dollars for the airport would not be considered by the City. Klitch seconded the motion.

At the roll call on the amendment:
Ayes: Mussell, Williams, Klitch
Nays: Nelson, Heleker, Hanigan

The motion was TIED.

Mayor Henderson broke the tie vote with a "no" vote, and the motion to amend FAILED.

Councilor Nelson declared that the Council needs to look out for the best interest of the whole town, not a minority.

Councilor Klitch stated the property itself is an investment. It is a savings account. That property is doing nothing right now but increasing in value. In addition, it is providing recreation for those who enjoy golfing. It is also providing recreation for those who enjoy

aircraft, neither of which she enjoys. However, she sees the need to provide open space for the community, especially when we have no idea how our growth is going to formulate; we need to have open space in that area for recreation. In her mind, you cannot put a price on land, and if this city needs to do expansion of any kind, we already own the property. That is the greatest expense is creation of recreation facilities and fire departments and/or city infrastructure costs. That land is valuable, and is an investment accruing just sitting there even if there was an airport there at all.

Councilor Hanigan stated that she is one that supports the airport as it exists today. Without Bert here to comment on a motion that is not an ordinance and not a resolution, she could not support it.

Councilor Mussell said the majority of the community want to know how we stand on this. More people have talked to him that are for keeping the airport, even if they are not aviation minded. It is a valid motion.

Councilor Nelson believed the Council should have a public hearing, or maybe it should be on the ballot, as an advisory vote. Give everyone a chance to say what they want. Not just the ones who are definitely for or against.

Councilor Williams agreed with everything that has been said, and was glad that his amendment was shot down. The motion is that we do not want to sell it for \$1 million dollars, period. Maybe we should vote on that and let the dust settle. If there is a group of people, for or against, they can form a committee, and if someone wants to put it on the ballot, they can push this thing forward. His opinion is we have 100 acres out there; there is more than enough room out there for the airport people and the golf people. He could not see why Rick's group wanted the whole thing. There is a lot of land that is not around the airport. It's like a bunch of kids that can't share their toys. The airport people can do their thing, and the golf course people can do their thing.

Councilor Heleker added that a statement Grief made earlier is "this is the land we are interested in". It is not a group getting together and wanting to buy the airport. It was a situation of an individual saying would the city sell the airport, and that is what started the discussion. He would like to see everyone get along too. The motion is dealing with an absolute that may not be in the best interest of the entire community for now and in the far future; we do not have the right to deal with that absolute.

Councilor Klitch affirmed that based on that, this has been going on for the three years she has been in office. What she sees happening on this Council is nobody wants to make a decision. It is time to play the cards now. These people that are trying to do something at the airport have been un-empowered for 3 years. Either tell them yes they can have an airport or no they don't have an airport, but we cannot continue. She went through some of the old records and this has been going on for forty years. Forty years that is recorded. It should not cost the other taxpayers additional funding to have a feasibility study or to get on the ballot or to provide an appraisal. This Council needs to make a decision.

Mayor Henderson stated either way it goes, he will get behind it. This has weighed on every mayor and council since he has been alive. He would like to see it answered once and for all. That is his only problem with this motion. All we have done is said we are making this decision. He would like to see us do this in a manner that as many people that want to state their opinion do so, and then make a decision. He believed that it is very health that we have a

public hearing, and whichever way it goes, have a vote, and put it to bed. Mayor Henderson did not want to see us sweep it under and don't settle it. He is tired of the City of Payette being dogged and wants to make an educated, logical decision and put this issue to bed.

Councilor Klitch called for the question.

At the roll call:

Ayes: Mussell, Williams, Klitch

Nays: Nelson, Heleker, Hanigan

The motion was TIED.

Mayor Henderson broke the tie with a "NO" vote, and the motion FAILED.

Council Williams asked if the Blahas are interested in anything less than the entire acreage. Mr. Greif replied that he did not know. Mayor Henderson stated the majority of the acreage can be developed except what is in the flight path. We can revisit the map and see what it is.

Mayor Henderson said he does not want to see us sweep this under the table. If we made a decision, which ever way we go he will be behind it 100% and we will make it work best for the City of Payette. Councilor Williams asked Mayor Henderson if we made a decision, he would promote growth of the airport. Mayor Henderson replied absolutely.

Councilor Nelson asked if someone ask Bert if this could be on the ballot. Mayor Henderson stated we can find out what our option are by the next meeting.

Councilor Klitch stated it sounds like there is acreage around the airport that was being farmed. 60 or 70 acres, that is a lot. In her mind, that is a way different than the airport. If we want to address the additional acreage that is in that area around the airport that is a whole different issue than putting the airport up for sale. She saw the same diagram before she took office when she was trying to be persuaded that it needs to be developed for specialty condo housing for those who like to golf. It is right on the airport. That is why these people want the airport. In her mind, she does not want to play any more games. She did not want to go to any more meetings. Klitch wants people to pony up; their minds are already made up, and let's get this done. Let the chips fall where they may.

Councilor Heleker stated that is why we need a public hearing. We need to work it through.

Councilor Williams said if Mr. Grief's group came with a proposal that did not include the airport, there may be land that could be used better. Williams claimed that he is an amenities fan, and the airport and golf course are two of them. Williams asked Mr. Greif if they have some interest in land other than the airport, all of our problems may be solved.

Councilor Mussell stated that a public hearing won't do much for this situation. This room will only hold a couple of hundred people at the most, and we have seven thousand people we need to hear from. We will get a little better feel, but whoever has the best support or effort is the one that shines at the public hearing, and that won't be what the public wants. A public hearing is not what we need.

Mayor Henderson believed that it is unusual that people are arguing contrary to what we have talked about in the last couple of Council meetings, that we shouldn't have a public hearing on anything.

Councilor Klitch said a couple of points were missed. This is a piece of historic property. It has a major historic value to the City. In addition, it did not originate in the City, it originated from many parcels brought together by people who entrusted us with an idea that this would be an airport. The golf course was an idea long after the airport. In addition, we are being selfish and one sided in not thinking that this doesn't affect just 7,500 people. This is a county, northwest region airport that is utilized by more than recreational aircraft. She believed that the picture is a lot bigger than any one of us knows. By continuing these charades, all we are doing is using our good energy, continuously, for no outcome. Klitch agreed with Mussel that she does not think a public hearing would resolve the issue.

Mussell clarified that he wants to hear from the public, but you are only hearing from a minority of the public at a public hearing. Mayor Henderson stated he wants to hear that same cheer when we are talking about another issue and it is said that we need a public hearing. Mussell stated that some things he thinks we do need a public hearing on. Mayor Henderson added that it is not fair to say we need a public hearing, on one hand it is a fair sampling of the public, and on the other hand it is not a fair sampling of the public. Councilor Heleker agreed. Mayor Henderson said he has no problem putting it to an advisory vote. He wants to see this resolved once and for all.

Councilor Klitch acknowledged that what she hears Councilor Mussell saying, and what she agrees with, is the minds are already made up, and more input will not change this Council's direction. It is very clear here tonight that minds are made up, and no more information will change that. Mussell agreed. Klitch added that this legislative body has already made up its mind. Mayor Henderson questioned Klitch that if we have a public hearing, and for example, 90% of the people come in and say they are for selling the airport, her mind is already made up. Klitch replied that is not what she was saying about a public hearing, that is what she is saying about this body right now. Mayor Henderson does not believe it is so. Heleker agreed.

Councilor Klitch asked if we need a motion to proceed with the inquiry into the 70 acres, or is that something we can do administratively. Henderson stated it is something we can do administratively and get back to the Council on.

SPECIAL ORDERS

None heard.

PLANNING & ZONING

None heard.

UNFINISHED BUSINESS

None heard.

NEW BUSINESS

A. Claim for Damage – Myken J. Stein

A motion was made by Heleker and seconded by Klitch to deny the claim and submit it to the City's insurance carrier for investigation.

After a unanimous voice vote, the motion CARRIED.

B. Request for Septic System Replacement -Brent King

Brent King informed the Council that he had recently purchased a property located at 705 South 12th Street. Upon further investigation, he discovered that the well was not adequate, and they are now hooking up to City water. They then had the septic tank pumped, and discovered it was damaged and needed to be replaced. Mr. King went to Southwest District Health and found out he needed permission from the City to replace the septic system. The City sewer line stops approximately 90 feet away from the property. He understood that if someone is within 250 feet of sewer, you are required to hook up. Mr. King explained that he doesn't mind hooking up, but he would rather replace the septic system. There is two acres on the property, so there is enough room for a drain field. Mr. King asked for permission to install a septic system.

Councilor Williams asked Mr. King what his long term plans for the property is. King stated they are fixing up the single family home and going to sell it.

Councilor Klitch asked why this did not go through planning and zoning. City Clerk Cordova explained that this would be a decision of the Council. Klitch continued that if we deviate from the code, it goes through a public hearing and planning & zoning first.

Councilor Williams asked how many property owners were between him and the end of the sewer line. King replied there was only one other property owner. Discussion followed regarding the exact location of the sewer line on 12th Street.

Mayor Henderson asked if an agreement was made to eventually hook up to the sewer line, would it carry with the property. City Clerk Cordova explained such an agreement would carry with the property. Mayor Henderson stated that our Wastewater Superintendent is telling us that a sewer hookup is not functional, so technically it is not available.

Councilor Klitch asked that what happens if this is on the border of our community on a much smaller lot. Should we be deviating from our code. Would we grant them a septic or make them get their line lowered and hook up to sewer. Klitch was not sure that we have done this process properly.

Mayor Henderson pointed out that Mr. King is not doing anything against the ordinance. There is not a viable sewer hook up within 250 feet of his property.

A motion was made by Nelson and seconded by Heleker to allow Mr. King to replace his septic system at 705 S. 12th and sign an agreement to participate in the prorata share, or an LID at the time the City improves the sewer line on that street.

After a unanimous voice vote, the motion CARRIED.

C. Appointment of Council Liaison to Library Commission

Mayor Henderson stated that if any Council member is interested in serving as the Library Board liaison, please let him know as soon as possible. If there is no volunteer by the next Council meeting, he will move on to Plan B. It will be assigned on a rotational basis. It is not the Library Board's preference, but if no one volunteers, it will be rotated.

DEPARTMENTAL REPORTS

Written reports were presented to the Council.

Councilor Klitch asked about the rail spur being delayed. City Engineer Doug Argo replied that they have a preliminary re-route of the spur. It was shifted a little bit to the south to a different spot. They have to juggle some utilities on site. Seneca is willing to do all of that, however they need permission from the railroad, and are in the approval process for the redesign right now. They are in the approval process for the redesign right now.

Councilor Klitch also noted that in the 7th Avenue North project, we have about 1,800 feet of roadway left to be financed, and of that roadway 800 feet is already covered by agreements made in the past. Is there an estimate of what the remaining cost is, and how will the Council consider budgeting to get the extra 1,000 feet done. Mayor Henderson stated that issue will be covered in a future work session. Argo added that the design is essentially done for the 1,800 feet, but it needs to be packaged and get a set of bid documents to go with it to get it out to bid.

CITIZENS COMMENTS

Stan Clements, 9948 Ash Lane wanted to comment about the airport. This will put the Council in a tough position, there will be no winners and all will lose. The first issue at stake is the airport itself, do we really need it? It doesn't matter how many say whether we like it or don't like it. Clements cautioned the Council on how they go about doing this, because it is almost ready to create a war in this community. The other issue is if we do sell any property out there, a similar property in Kuna, Nampa or Caldwell would probably sell for 50 or 60 thousand an acre. There is a reason why people want to buy it - it is dirt cheap. We'd have people lining up to buy it at 30 thousand an acre. We really need to consider whether or not to sell part of it or all. Part can possibly be sold, but when is the

right time to do it. If you have a stock, and in two years it doubles in value, the last thing you would do is sell it when it is still going up. It is just not good business sense. There will come a time when it will be worth more than what the City can afford to keep it for. But it is not now, or in five years. In five years that property could easily be worth \$100,000 to \$150,000 an acre. If you sold 30 acres, there is three million bucks. What are you going to do with all of that money? Sidewalks on all of the streets? Before we sell that one big asset in this community, make sure you have something to do with the money, and put it to use wisely.

Claude Bruce, 10550 Hwy 95, addressed the Council and stated that he agrees with Stan. Mr. Bruce explained that he does not feel like a public hearing is the right way go because it is just like an election; a good campaign will win the issue. He has seen it happen in this town, and is not in favor of a public hearing. Jeff's figure of the value of the property wasn't even realistic especially in 3 to 5 years. This community and the flow of everything is blowing over the hill and flowing into the valley. Food for thought.

Councilor Heleker stated that in response to the two previous speakers, he doesn't want to see a war, he wants information gathering. He wants some format to glean that information from the community and probably from outside of the community - Stan had good information. Gathering information does us good.

Claude Bruce, added that he has seen other airports that have a joint sponsorship and join with the County. There is a possibility to improve the airport if you join forces with the County.

Councilor Heleker pointed out that the softball/ baseball complex behind McCain are underway. We are in the process of finalizing a contract between the entities involved; City of Payette, Payette County, Payette County Recreation Department, and the Payette School District. They are also in the process of forming a committee that would be the decision making body for that complex. Regarding the Youth Advisory Council, Heleker stated we are moving forward with that and have been working with Mayor Nancoles of Caldwell. Mayor Nancoles will visit us at the high school and will bring some of his Youth Advisory Council with him. The meeting will be on the 23rd.

MAYOR'S COMMENTS

Mayor Henderson informed the Council of the following:

- After extensive work, Quality Construction will commence work on the traffic signal on January 22. The project should be completed by March 22.
- There was some extra funding that came up for the 7th Avenue North project, and we are now able to get the project to 18th street.
- The Idaho Community Review Application has been submitted to the Idaho Rural Partnership, and Dale Dixon informed us that they are looking at possible dates and will be getting back with us soon.

- Mayor Henderson asked the Council to schedule a Work Session on January 30, at 6:00 PM to address the following issues:
 - Pharmer's Report on the Wastewater Facility Expansion Plan
 - Proposed Annexation ordinance
 - Development Impact Fees
 - Discussion of Possible LID for completion of 7th Avenue North Project

ADJOURNMENT

A motion was made by Councilor Heleker and seconded by Councilor Klitch to adjourn.

After a unanimous voice vote, the Council adjourned at 8:35 PM.

Signed this _____ day of _____, 2007.

DOUGLAS E. HENDERSON, Mayor

ATTEST:

Mary Cordova, City Clerk