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CITY OF STANLEY

APPROVED

Special City Council Meeting Minutes

April 2, 2026 @ 5pm

Stanley Community Center, 510 Eva Falls Stanley, ID 83278

Call to Order: (Mayor Botti) 5:04 pm

Roll Call: Councilmember Cardoso - Present, Councilmember Hernandez – Present; Councilmember Thompson – Present; Councilmember Cron – Present; Mayor Botti – Present

Also Present: Treasurer Savannah Pedersen on Zoom; City Clerk - Hannah Fake; Operations Manager - Kimberly Peters

Agenda Amendments: None

Mayor/Council Comments:

- Councilmember Cardoso said the City has been looking into and trying to get answers on geothermal which should be great.

Presentations/Citizen Participation:

- The Clerk read a letter from Nancy Weeks which is included in the meeting minutes.

Topics for Discussion:

City of Stanley – Temporary RV Permit

Action Item

- The Mayor moved this agenda item up on the agenda.
 - MOTION by Councilmember Thompson to approve the City of Stanley Temporary RV Permit.
 - SECOND by Councilmember Hernandez.
 - Roll call vote – Councilmember Cardoso – Yea; Councilmember Hernandez - Yea; Councilmember Thompson – Yea; Councilmember Cron – Yea

All in favor; UNANIMOUS.

Wood River Land Trust – Property Transfer

- Resolution 2026-2 – Valley Creek Preserve Real Property Donation from Wood River Land Trust
- Action Item
- The Mayor reviewed that this transfer of roughly 34 acres has been contemplated for the last 15 years or so. Keri York is here from the Wood River Land Trust (WRLT).
 - Keri York – WRLT is based in Hailey and does work in Custer, Lincoln, Bute, and Blaine Counties. WRLT had several engagements regarding this property and then finally in 2013/14 they had opportunity to work with the owner to purchase the lots with funding from Office of Conservation which is for protecting salmon habitat. It was a major accomplishment for WRLT, and they could use their non-profit status to help protect this area. At the time some of the concerns regarding WRLT obtaining the property were about how the property would be managed. WRLT hired a neutral 3rd party contractor to engage the public in developing a management plan. That resulted in the management plan we have been operating on. WRLT has been maintaining the property as is, but there are some ideas about how it could be managed with interpretive signages and public access etc. In 2022, we were able to rezone the property to the open space district which was a step in the transition to the City.
 - The agreement is the overarching document which explains why and how we are doing this. It explains the CC&Rs which are to ensure the property is protected in the future. CC&Rs are common and a requirement of the grant. They are included with a deed restriction and are for the

City to maintain and manage the preserve as is described in the management plan. WRLT wants to make a deposit to the City for \$17,500. The City may use these funds to manage the property as long as it is consistent with the management plan.

- Mayor – These documents have been reviewed several times by our City attorney.
- Councilmember Cardoso asked what the cost of maintaining the property is. Keri York responded that Valley Creek Rd is private road and there is no HOA. WRLT has not been paying into the road maintenance fund as we don't need to use the road. In the future it might be good to have a discussion with residents depending on how the City wants to access and use the property. WRLT has been paying taxes on the property but the City won't need to pay taxes because they are exempt. WRLT has done some weed control but there are not a lot of noxious weeds, took out some old barbwire fence and has not done anything with the building but they do monitor for trespass. There have not been any issues with trespass. It has been low management. We put an interpretive kiosk in the parking lot in the City and WRLT is planning to put in the 3rd panel. WRLT has not incurred costs other than that.
- Mayor – Almost the entire area is floodplain and the original the intent of purchasing it was to preserve it. There have been discussions about adding interpretation of the area and that was in the plan and desired by the community. That could possibly entail board walks. Cardoso asked if that meant like the trails at Redfish Lake and the Mayor responded yes.
- Keri York stated that access is difficult because it is surrounded by private land. There is some Forest Service land that it could be accessed from near the Museum. The neighbors don't like the idea of a parking area and there is not a good space for parking in the neighborhood. There are lots of different options for access and they are all still on the table.
- Cardoso asked what the timeline for development was, and would WRLT be upset if the City didn't put a trail in within 5 years. Keri York responded that WRLT didn't have any expectations on timeline and they wouldn't be upset if nothing happened in the next 5 years. WRLT wants this to be managed the way the community wants, taking time to figure that out is not a problem.
- Cardoso asked when the City should check in with the land trust again. Keri York responded that they could check in annually or quarterly.
- Cardoso asked if there was a way to tie the Valley Creek Property into the Workforce Housing project. The Mayor responded they could consider that but haven't discussed anything. The thought was if there was to be any development, like interpretive trails, they would engage the community first. He added the cost to maintain the property would be minimal.
- Cardoso said he had concerns about people defecating down there near the hot springs so he thought putting bathrooms there should be looked at first.
- Cardoso asked Councilmember Thompson if he had any concerns because he owned property nearby. Thompson said he didn't have any concerns and was interested in helping with access in the future.
 - MOTION by Councilmember Thompson to approve Resolution 2026-2 to accept the Valley Creek Preserve Real Property Donation from Wood River Land Trust
 - SECOND by Councilmember Cardoso.
 - Roll call vote – Councilmember Cardoso – Yea; Councilmember Hernandez - Yea; Councilmember Thompson – Yea; Councilmember Cron – Yea

All in favor; UNANIMOUS.

Workforce Housing Regulatory Agreement review

- Mayor – We are moving along with several agreements with John McDevitt. Mr. McDevitt has prepared the ground lease but is still working on it and is addressing a lot of concerns about how the City exerts control. McDevitt is still working on the documents and needs feedback from lenders before they ready for Council discussion. Agreements will address transition from phase 1

into whatever comes next into phase 2, what kind of restrictions for controlling that. His includes development milestones specified in the lease for the developer to continue for phase 1 and phase 2 if they choose to move forward. This would be subject to council oversight and approval.

- The regulatory agreement includes occupancy requirements of who gets priority and how to decide who the essential workers and who gets it next. There will be other agreements and all agreements need to come together.
- Cardoso asked if we needed to look into what Jon Christianson brought up with a frame work agreement. The Mayor replied that we can ask McDevitt. The Clerk stated that McDevitt had provided the City with some frameworks for all the documents including a document index that laid out all the important documents with the project as a reference point for past, present, and future. The decision point document also provided a framework.
- Cardoso stated he wanted to see changes in the document in blue and that he wanted to hire a project manager.
- Councilmember Thompson stated he would like to discuss the LOT tax contribution and phase 2. He had concerns about the LOT Tax. Councilmember Hernandez stated that they were down 20% on LOT. Thompson stated that he had 5 points for bringing the option tax contribution down. Business isn't good right now. High gas prices, taxes, war, tariffs, drought year and fires this year will make the option tax will go down. He is not expecting a good tax year. Part of this is built on getting interest on this money over 22 years, if interest rates fall those dollars go away. Thompson has talked to Mayor, expressed these thoughts at a council meeting and wants to see what the Council thinks about it. Thompson commented that the City started out with multiple funding options and the Mayor had said in letters that the City is going to put this much money into the project but the council hasn't voted on anything. Down the road the City can always put more money in but once we commit, we are committed.
- Mayor responded that the 1.265 million is in the bank and would be paid over 22 years. The City can't commit out year option tax money. We know exactly what we have in the bank; by spreading the payments it leaves money in the bank that can continue to gain interest.
- Cardoso thought that it was a good idea to leave the money in the bank and gain interest on it like we had proposed. But he said he wanted an expert to look at this and tell him if it was right or wrong before he made any decisions.
- Thompson said he didn't know when the City would get a share of the profit and why there were profits in a non-profit and wasn't sure if Northwest would be billing us for administrative fees as part of the operation.
 - The Clerk responded that Northwest would be managing all the financial responsibilities for the project. They would collect all the rent to make sure they could pay all their operational and administrative costs. The City would not be paying them to manage the property. Northwest is required by the banks to have a certain amount of revenue over the cost of operation, that is what we call 'profit'. This is to provide a buffer and to ensure that the project is financially feasible and sound. Right now, we are expecting that to be about \$40,000 which would be split 50/50 with the City and Northwest.
- Cardoso stated he needed an expert to tell him that Northwest isn't going to walk away and leave when the carpets need to be replaced or make a ton of money in the project. He said he doesn't want to move forward unless he is told by an expert that the City won't be in an incredibly bad place if Northwest sells to someone else or just walks away and that the plan is sound.
 - The Mayor responded that the housing attorney is an expert in this field and that is why we engaged with him to help address those concerns in the legal document. The ground lease directly addresses defaults etc. The Mayor stated that having a housing attorney who works for the City is the best way to do this. The project manager can look at this as well, but it is the Attourney's responsibility to handle the legal things.

- Thompson stated that he wanted to hear what the Council has to say about how much money the City is putting into the project. The Mayor added that in previous discussions the reason the City put that much money into the project was to bring down the rents as requested by the community. Thompson replied that he disagreed some, the real amount that brought down the rent was reducing rent, and size, and removing garages. The mayor agreed that helped as well.
- Councilmember Hernandez has a big problem giving Northwest, in the legal contract, phase 2. She doesn't understand why we would tie up legally when it is not necessary. She stated that John Vance said in his letter that he doesn't know about phase 2 and they aren't looking into it because it is a completely different concept because people wouldn't be renting the housing year-round.
 - Mayor said Northwest is looking at phase 2, not the specifics of it, but how to design and add in phase 2 is being discussed alongside this plan. The Mayor said Cardoso was sitting in this meeting and heard the discussion as well.
 - Cardoso commented he saw the designs and has no idea if the cost might go up 200% and so we are arguing over numbers that might double when the design is done. Hernandez commented that it is still unknown and Thompson agreed. Cardoso wants to see the site plan and have a project manager review everything.
- Thompson stated that the client that is renting from us is drawing up the lease for us.
 - Thompson was corrected that Northwest was not drawing up the lease agreement. The City's housing attorney, John McDevitt was writing the lease and would provide it to Northwest for review because the City must work with Northwest to come to an agreement on all the legal documents.
- Thompson wants a consensus on whether the City Council wants to split the property and provide the proposed amount of LOT savings to the project.
 - Cardoso is open-minded but doesn't want to make decisions until we have an expert project manager. He stated they weren't voting on anything tonight and so didn't need to make a decision.
 - Thompson stated that they were working on agreements and documents and if the council should ask the Mayor to stop working on the contracts until they made the decision on the property leased and funding amount.
 - Hernandez stated that they were just working on drafts.
 - Thompson wanted to know if the council thought the 1,265 number was okay. Cardoso stated again that they don't have to decide tonight and he wants an expert to review it but that he had always thought that number was okay.
- Councilmember Cron stated that we hired Northwest to do the project unanimously. The council had the numbers of the LOT that we approved to move forward with. Cardoso agreed. Cron continued that the council has been moving forward with the project with that funding in mind as it was what the community wanted and is already money in the bank. It is not speculative money and it is the best use of that money to build this project. If we take those funds away, no doubt it will increase the rent and the community has been clear that this must be affordable. I have no problem using that money as we laid out and that won't deplete our funds and we need to focus on phase 1 to make it successful. Hernandez agreed that we need to focus on phase 1. Cron continued that phase 2 is unknown and we have to keep it in mind and it will be a lot more efficient if we plan for phase 2 while we build for phase 1 and if we use the developer who is on site to put in the infrastructure to be set up for phase 2. Any time we spend to separate phase 2 from phase 1 is not time well spent. We are looking for someone who will come in and be oversite not to come in with their own ideas and change the plan.
 - Cardoso stated that he wanted the project manager to work for the Council and the Mayor.
 - Cron said he wanted to give Northwest the ability to do phase 2 with an out if Northwest doesn't perform. He thinks it will be a step back if Northwest only gets to work on phase 1.

- Hernandez stated it was like anything, you don't give them everything in a contract and then try to keep it back if you want it developed a different way. It doesn't make sense to tie it up legally.
- Cardoso – If John Vance was the project manager, he should be fired because he proposed \$1600 rents and so he wasn't looking out for the City. Cardoso said that it took a lot of work to get those rents down and that the City had to claw the rents back and a project manager could have made that easier, and could have helped find all the holes in the lease because Cron didn't read it.
 - Cron responded that we worked together with Northwest to get the rents down and they are at a good point now.
- Thompson – I want to clarify that the 1.265 was on the table a year ago when John Vance was hired. The Mayor, Cron, and Hernandez stated that no, it wasn't on the table a whole year ago, and Savannah looked at the numbers and came up with the best financial plan for the City.
 - Cardoso thinks that Northwest is being generous with the loan repayment instead of having to pay it all up front at that there would be money in the bank from interest at the end of the City's payments.
 - Thompson stated that they had him convinced that the financial scenario made sense.
 - Treasurer Pedersen clarified that that she has looked at various scenarios with lower interest rates as Charlie is likely correct interest rates will go down. At roughly 2% the City would have just over \$700,000 at the end of all the payments to Northwest. If there was no interest on the account, all that would happen at the end of 22 years, the account would be 0, and the likelihood of 0% interest is incredibly low. Right now, the interest rates are steady and the rate is 3.79%
- Thompson stated he was not part of the budget last spring and I know there were a lot of projects. What does it cost us annually to operate the City without additional project? What is the budget? I am concerned about a reduction in option tax revenue.
 - Treasurer Pedersen - If you were to run the City without option tax, the City would have to function differently. The City could operate without option tax. We wouldn't be able to match grants; we would be in maintenance mode. There wouldn't be savings. We have another LGIP account that is general fund money that we can use in a short year. That is an account that can be used if needed and it has about \$100,000. If the City wasn't doing as much you could probably operate on \$200,000 a year. Property tax is going up but the tax rate is very low. Kim had mentioned that we are behind this year on Option Tax but we are catching up. It is looking good for an early tourist season, and we will make up for the slow winter.
- Cardoso asked the last time we had a recession how did option tax work, did it go up as people couldn't go to Disney land? Or did option tax decrease during a recession.
 - Treasurer - We saw a huge boom in covid, and there hasn't been a decrease since then. Every business is always looking for ways to bring more people here; the shoulder seasons are getting busier so I only see option tax growing.
 - Mayor – The Option Tax revenues today are 4 times what they were when I came on the council. Even in 2008 the Option tax revenues did not tank.
 - Mayor - I think Savannah's predictions are reasonable. The Option Tax if the receipts did go down the City could propose to increase the rate. There are a lot of things that can go into what the revenues area. I wouldn't assume the City has no tools at its disposal to deal with decreasing option tax. One thing regarding Charlie's concerns. With the agreement of putting in the funds, the left-over money from interest becomes available for phase 2. The 'profit' generated is also money that can go into phase 2.
- Thompson wants the 130% profit margin looked at and reviewed because he isn't sure that makes sense and is the right amount.

- Thompson and Hernandez stated they thought it was a bit early to put the rents into a contract because we don't have the designs or the plans yet.
- The Clerk stated that the rents have to be provided to the bank to get the loans so this has to be known.
- The Mayor added that this is just a trigger point, and we may not even reach this point.
- Thompson clarified that his question was, is this 30% they get to take of the profit and does it include administrative fees and he wants someone to look at. He stated that the community was concerned how much money Northwest walks out of the community with and he would like someone to review that. And he asked when the profit was split between the City and Northwest.
- Clarification was provided that the administrative fees and all operation and maintenance will be covered by Northwest and the City will not be paying them each year for those services. All profit will be split between Northwest and the City of Stanley. The 130% does not impact splitting the profit.
- Thompson stated he was not trying to give them a fair profit margin just to pay themselves.
- The Clerk replied that she would do the math and look at the numbers and work with Northwest to get some more clarity on what that profit number would be.
- Cardoso stated that he wanted to hire a project manager to look at numbers and asked why we were having her do that when we could have a project manager look at numbers.
- Charlie – I talked with Tom Peterson, he said it will be a process with the Sewer Association. And Tom Peterson said that they wouldn't allocate any more space other than for 20 homes. Thompson asked the mayor, when you were involved with Simpson and the property coming to the City, why did you make a comment that you thought it wouldn't be a problem to have more than 20 units
 - Mayor – That was not my opinion, the attorney we hired said in his legal opinion that it wouldn't be a problem and that the normal interpretation of that would be that it wasn't an absolute cap.
- Charlie – Two reasons I am in favor of not giving phase 2. John said he would go forward whether we give the full 4 acres to him or not. The lawyer said it would entangle the property if we included phase 2. And if we don't go through with Phase 2 I want the City to have the option to do what they want with the property and beautify it.
- Cron – The lawyer didn't say it would be entangled. If it will make this whole project go forward if we don't include phase 2 we can consider that.
- The Mayor responded that it will create a lot of problems if we split the property. To design phase 2 they have to take into consideration access roads, building elevations, slopes, they have been shifting things around to fit and to make sense in phase 2. If we split the property they will not be able to shift the buildings because they would be constrained by boundaries.
- Thompson stated we give them a buffer and survey it. Cron responded that he thought that surveying would be inefficient and would handcuff phase 1.
- Cardoso – We don't have answers, why are we discussing this, we need the project manager so they can answer all our questions and give us answers. I have a lot of questions for this person.
 - Cron responded that he was in favor of getting a project manager but some of these decisions need to be made by the City not by a project manager. He further stated that we have received a lot of advice, especially legal advice from the attorneys who are experts in this.
- Mayor asked if Gabe was thinking a project manager would overrule legal advice we received from our hired housing attorney. Cardoso responded, not necessarily.
- Thompson stated that he had asked the housing attorney if the clearest way was to separate phase 1 and 2 and he said yes. Cardoso said he heard the same thing.

- Thompson said if you read between the lines, Northwest doesn't want to be involved in making money of 3-6 months of rent. Hernandez said John Vance stated that in the letter. And Cron responded that anyone would have trouble making that work.
- Mayor stated we are hiring a project manager soon to help us with this. The housing attorney advised us to lease the 4 acres, in the lease he is drafting, Northwest is not guaranteed any right to phase 2. It is contingent on performance criteria, there is no guarantee for phase 2, or even phase 1 if he is not meeting criteria. We will propose a date that he has to submit plans for phase 2 by.
 - I am good with that language to get us moving on that. I think it would be a step in the wrong direction to split the property.
- Clerk asked the council for clarity on moving forward on the Regulatory agreement. She stated so far, the council has not had a lot of feedback on the document other than a few comments, including what to do about remote workers which she has already included. We will have a town hall next Wednesday to make sure the community is onboard. Provided there are no major concerns from the community, does what is proposed make sense and work with the council to keep moving forward with this document?
 - All council members agreed the regulatory agreement looked good moving forward.
 - Cron asked about looking into first responders and the Clerk responded that she had reached out to the clinic, fire department, and SAR to get their feedback.
 - Cardoso asked about changing the document in the future if the communities needs it to be change and the Clerk stated she would follow up with the attorneys on that.
 - Mayor when we get feedback from the community, it will be up to the council to decide if they want to take the community suggestions.

Workforce Housing Project Manager Selection

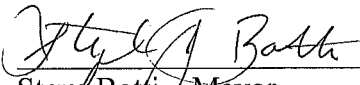
Action Item

- Cardoso asked if these were all the proposals we received, and Hernandez asked how many people it was sent to.
 - The Clerk replied that she sent it out to roughly 5-7 people and these were all the responses. The letter and resume from SMR Development were provided because she found out about the RFP late. This was not SMR's full response but the firm wanted to let the City know they were interested. The Mayor and Clerk discussed since we didn't have many options, we asked SMR to complete the proposal by early next week. Shellan from SMR development seemed excited about the opportunity to submit a proposal if the Council would consider her.
- Mayor – I was hoping to have more people submit. We need to decide who to have on the ranking panel. It can be council like it was for selecting developer or we can have a subset of council. I had suggested Keith Reese to be on the panel for selecting the developer and he had offered to sit on the panel for this as well. One of the categories is to interview them and can help answer questions not included in proposals.
- Cardoso asked if these were enough proposals to be legal. The Clerk stated that if a contract is for over \$100,000 we need to have 3 bids. If you cannot obtain 3 bids you must show a good faith effort that you tried to get 3 bids. The Clerk stated she thought they made a good faith effort by sending it out and having others share the RFP. If we receive a complete proposal from SMR we will have 3 proposals.
- Cardoso asked for a list of who the RFP was sent to and the Clerk said she would get that.
- Thompson stated that Full Circle's first proposal was for \$15,000 and now their proposal is 2.5% of the whole project cost. Is this something we can consult with them on or figure out why it changed. The Mayor replied that he thought interviews would help.
- The Council was in agreement to interview as soon as possible.


- Cron requested to narrow down job description with more direction of what we anticipate hours to be. I'm worried about this getting out of hand and paying for more work that we need or want. Cron was concerned about the flat fee of 2.5%. The Clerk stated that Jade had not suggested a percentage would be a fee structure. He had suggested fixed breakdowns for each part of the job.
- Cardoso asked if we could have Jade participate in the interview and the process since he had been advising us on what we might need the project manager to do in the first place. The Clerk stated she would also ask Carissa and Morgan if they had availability to assist.
- The Mayor stated Cron's point is good, we don't have unlimited money to spend on this. This was intended to be a professional services contract, not a fixed cost, but we didn't eliminate that option.
- Thompson asked if it would come out of LOT tax or professional services fees in the budget. Treasurer Pedersen stated that there is funding in the budget for workforce housing. These funds were intended to be deposited into the LGIP savings project but we could use those funds to cover the cost of the project manager. This project will fall under 2 fiscal years. Incoming LOT funds would pay for the project manager. Next year we will budget specifically for our project manager. Cron stated that we are also paying our housing attorneys out of the fund too.
- Thompson asked if the project manager would be helping with the well and public water system etc. The Clerk and Mayor provided clarification that the project manager will be looking over the plans but not doing the work of siting the well etc. Northwest will oversee all construction and design.
- Clerk read the list of people/firms she sent the project manager RFP to. Cardoso requested the list be emailed.
- Discussion about interview process and times for firms.
 - Cardoso asked to contact Jade's office to see if he could attend the interviews. The Clerk clarified if the council wanted Jade to join for both interviews and the ranking panel or just the interviews. Cardoso stated he wanted Jade's advice through the whole process.
 - Brief discussion about cost and how that should be considered.
 - Clerk asked council for interview questions by Monday morning. Thompson asked for a list of questions by tomorrow morning to share with the council.
- Mayor – Northwest has been working on site plan and the council should look at site plan once it is done. There was brief discussion of the more detailed information that comes after having the site plan in terms of design and cost.
- A brief update on geothermal was provided by the Mayor. Northwest will engage geothermal engineers and cover the cost of the project because it is a lot less than initially thought. There are tax credits and rebates that will likely come with geothermal heat. Geothermal engineers will help design a heat pump system for the housing.

- City of Stanley - Temporary RV Permit Action Item
 - See above

Adjourn – 7:00 pm



 Steve Botti - Mayor



 ATTEST: Hannah Fake- City Clerk

**4.2.26 Council Meeting Minutes
Included Letters & Rankings**

3.30.26 Letter from Nancy Weeks

Email from Nancy Weeks 3/30/26

Hannah,

Once again I will be out of town for this meeting. Dang it. I apologize I cannot be there in person.

I continue to voice my support for moving forward with the workforce housing project and not trying to develop any part of that parcel on our own. Feel free to share my comments officially with the city council. And although I don't live within the city limits of Stanley, I believe everyone who makes up the greater Stanley community shares a part in this important project. This affects all of us.

Thank you so much,

Nancy