



City Council Meeting

680 Park Avenue
Idaho Falls, ID 83402

Minutes - Final

Thursday, February 24, 2022

7:30 PM

City Council Chambers

1. Call to Order.

Present: Mayor Rebecca L Noah Casper, Council President Michelle Ziel-Dingman, Councilor John Radford, Councilor Thomas Hally, Councilor Jim Freeman, Councilor Jim Francis, and Councilor Lisa Burtenshaw

Also present:

All available Department Directors

Randy Fife, City Attorney

Kathy Hampton, City Clerk

2. Pledge of Allegiance.

Mayor Casper requested Council President Dingman to lead those present in the Pledge of Allegiance.

3. Public Comment.

Gail Zirtzloff, Idaho Falls resident, appeared. Ms. Zirtzloff stated development has been occurring (in her neighborhood) for the previous 19 months which began with the roads, that was like having an earthquake, and now the development has moved into the building phase of 30 homes. Ms. Zirtzloff indicated when her and her husband came home on December 20 from being out of town they found the entire street lit up at 9:00 p.m. with flood lights 35' in height. She stated her four-legged family was terrorized and traumatized, and she was outraged. Ms. Zirtzloff stated she called the non-emergency number regarding the flood lights. She indicated the officer told her to tell the construction workers to stop, which she and her husband did. She also stated she called S&R Dirt Works the following day and was told he was the investor and he could work until 10:00 p.m. if he wanted to. Ms. Zirtzloff stated she then called the Mayor's Office, she commended the Mayor's Office for the response. She also visited with a police captain and agreed with the police captain that the flood lights were not reasonable. Fast forward to February 10, Ms. Zirtzloff stated they've had several more weeks of excavating and back-up noise for 12 hours a day. She shared a previous builder experience, stating they were very considerate. She also stated roofers work on Sunday mornings with loud radios that can be heard five (5) houses away. Ms. Zirtzloff stated 19 months of their 49 months of retirement is too much, almost 40% has been development.

4. Consent Agenda.

A. Idaho Falls Power

1) Resolution Amending the Idaho Falls Power Service Policy

Idaho Falls Power staff and board members review and discuss the utility's Service Policy annually to make any necessary additions, modifications, or updates to ensure the document remains a useful and relevant tool for customers.

2) Quote 837864 Altec Overhead Cable Puller

This purchase will aid crews in pulling new overhead wire to poles.

3) Idaho Falls Power Board Meeting Minutes - January 2022

The Idaho Open Meeting Law requires that the governing body of a public agency must provide for the taking of written minutes of all its meetings.

B. Public Works

1) Bid Award - Hemmert Avenue Railroad Crossing

On Tuesday, February 15, 2022, bids were received and opened for the Hemmert Avenue Railroad Crossing project. A tabulation of bid results is attached. The purpose of the proposed bid award is to construct roadway and sidewalk improvements on Hemmert Avenue near the existing railroad crossing. The work is required to coordinate installation of new railroad planking, signals and gates that will be completed as a separate Federal Aid project.

2) Bid Award - North Highland Park Concrete Improvements

On Tuesday, February 15, 2022, bids were received and opened for the North Highland Park Concrete Improvements project. A tabulation of bid results is attached. The purpose of the proposed bid award is to construct sidewalk and storm drainage improvements along Canyon Avenue in Highland Park.

C. Municipal Services

1) Minutes from Council Meetings

February 7, 2022 City Council Work Session and February 10, 2022 City Council Meeting

2) License Applications, all carrying the required approvals

Recommended Action:

It was moved by Council President Ziel-Dingman, seconded by Councilor Freeman, to approve, accept, or receive all items on the Consent Agenda according to the recommendations presented. The motion carried by the following vote: Aye - Councilors Francis, Dingman, Freeman, Hally, Radford, Burtenshaw. Nay - none.

RESOLUTION NO. 2022-03

A RESOLUTION OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; ADOPTING THE REVISED IDAHO FALLS POWER SERVICE POLICY (2022); PROVIDING SEVERABILITY, CODIFICATION, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

5. Regular Agenda.

A. Idaho Falls Power

1) Resolution for the proposed Yellowstone Peak Generation Plant and Clean Energy Research Park

Idaho Falls Power (IFP), in cooperation with Heber Light and Power and Lehi City Power, will explore potential construction of the Yellowstone Peak Generation Plant and Clean Energy Research Park. The generation plant shall consist of up to 35 megawatts of peaking generation and associated clean energy research facilities including, hydrogen, biofuels and similar non-carbon emitting emerging technologies.

IFP provides safe, reliable, and affordable electric service to city residents. As demand for energy has increased rapidly, so has the need for peak-hour generation as identified in the IFP Strategic Plan. IFP is working to secure affordable, reliable, and environmentally responsible energy resources sufficient to meet the needs of the community.

IFP Director Bear Prairie appeared. Director Prairie stated the peak energy needs are driving the deficit to supply reliable electricity to the city. He also stated the wholesale energy grid is beginning to experience constraints. Mayor Casper stated this item was discussed at an IFP Board Meeting. Councilor Radford expressed his appreciation to the heritage for the clean generation of hydro power. He believes this is an amazing tradition and asset to the city which has been protected, noting bonds and debt have been paid off to give the city this asset. He also believes it's important to be innovative in the approach and to explore options and try to find ways to research along with creating the peak capacity that would not cost the ratepayers more money, and this is a bridge to get to a carbon-free future. Councilor Freeman stated the city does not produce all of its power, the city still buys power on the open market which is getting tighter as all power usage is increasing. He believes this is a way to solve the city's problems as power is expensive on the market. Councilor Hally realizes sometimes power has to be purchased, which is expensive. He believes the peaking plant will mitigate going to the open market for high amounts of money and a short amount of time. Councilor Burtenshaw clarified this is a resolution to take the next steps to work with INL, this is not a resolution approving a peaking plant, as that approval will come to the council in the future.

It was moved by Councilor Radford, seconded by Councilor Freeman, to approve the resolution supporting the proposed Yellowstone Peak Generation Plant and Clean Energy Research Park and give authorization for the Mayor and City Clerk to execute the necessary documents. The motion carried by the following vote: Aye - Councilors Burtenshaw, Hally, Dingman, Radford, Freeman, Francis. Nay - none.

RESOLUTION NO. 2022-04

A RESOLUTION OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; EXPRESSING COUNCIL SUPPORT FOR THE PROPOSED YELLOWSTONE PEAK GENERATION PLANT AND CLEAN ENERGY RESEARCH PARK PROJECT; AND PROVIDING THAT THIS RESOLUTION BE EFFECTIVE UPON ITS PASSAGE, APPROVAL, AND PUBLICATION ACCORDING TO LAW.

B. Community Development Services

1) Resolution approving the Eligibility Report for the Pancheri East Bank Urban Renewal District

Attached is a resolution approving the Eligibility Report for the Pancheri East Bank Urban Renewal District. This is the first step required by Idaho Statute in creating a new urban renewal district. The report reviews the criteria for establishing a district and determines which of the criteria are met for the site. The statute requires that only one of the criteria be met. If the Council approves the report, the Idaho Falls Redevelopment Agency (IFRA) will then be authorized to draft an urban renewal district plan, which will also come back for Council approval. The IFRA board reviewed this report on February 17th and approved the document. It is now being presented for Council approval.

Community Development Services (CDS) Director Brad Cramer appeared. Director Cramer explained the resolution in the packet has been slightly modified to remove three (3) items that were inadvertently

not omitted. Councilor Francis clarified these three (3) items were not found to be problems. He stated the presentation for this item occurred at the February 22, 2022 Council Work Session.

It was moved by Councilor Burtenshaw, seconded by Councilor Francis, to approve the Resolution approving the Eligibility Report for the Pancheri East Bank Urban Renewal District and give authorization for the Mayor and City Clerk to execute the necessary documents. The motion carried by the following vote: Aye - Councilors Hally, Francis, Radford, Dingman, Burtenshaw, Freeman. Nay - none.

RESOLUTION NO. 2022-05

A RESOLUTION OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, DETERMINING A CERTAIN AREA WITHIN THE CITY TO BE DETERIORATED OR DETERIORATING AREA AS DEFINED BY IDAHO CODE SECTIONS 50-2018(9) AND 50- 2903(8); DIRECTING THE URBAN RENEWAL AGENCY OF IDAHO FALLS TO COMMENCE THE PREPARATION OF AN URBAN RENEWAL PLAN SUBJECT TO CERTAIN CONDITIONS, WHICH PLAN MAY INCLUDE REVENUE ALLOCATION PROVISIONS FOR ALL OR PART OF THE AREA; PROVIDING SEVERABILITY, CODIFICATION, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

2) Ordinance to change the name of Serenity Lane to Charity Lane.

Attached is an ordinance changing the street name of Serenity Lane to Charity Lane. This change is requested following a notice received that the street was similar to an existing street in Bonneville County after the plat for subdivision had already been recorded. There are no buildings on Serenity Lane so no property owners are affected by the change.

Director Cramer appeared. He stated there are no issues with the existing ownership. Councilor Freeman noted similar street names could confuse the police and fire departments.

It was moved by Councilor Burtenshaw, seconded by Councilor Francis, to approve the ordinance changing the name of Serenity Lane to Charity Lane under a suspension of the rules requiring three complete and separate readings and request that it be read by title and published by summary. The motion carried by the following vote: Aye - Councilors Freeman, Radford, Burtenshaw, Francis, Dingman, Hally. Nay - none.

At the request of Mayor Casper, the City Clerk read the ordinance by title only:

ORDINANCE NO. 3438

AN ORDINANCE CHANGING THE NAME OF SERENITY LANE TO CHARITY LANE; PROVIDING SEVERABILITY, CODIFICATION, PUBLICATION BY SUMMARY, AND ESTABLISHING AN EFFECTIVE DATE WHEN THIS ORDINANCE SHALL BECOME EFFECTIVE.

3) Public Hearing-Part 1 of 2 of the Annexation and Initial Zoning-Annexation Ordinance and Reasoned Statement of Relevant Criteria and Standards for 55.033 acres, Northwest ¼ of Section 29, Township 2 North, Range 38 East.

Attached is part 1 of 2 of the application for Annexation and Initial Zoning of LC, Limited Commercial and R2, Mixed Residential which includes the Annexation Ordinance and Reasoned Statement of Relevant Criteria and Standards for 55.033 acres, Northwest ¼ of Section 29, Township 2 North, Range 38 East. The Planning and Zoning Commission considered this item at its November 9, 2021, meeting and recommended approval by a unanimous vote. Staff concurs with this recommendation.

Mayor Casper opened the public hearing and ordered all items presented be entered into the record. She requested applicant presentation.

Caden Fuhriman, Horrocks Engineer, appeared as a representative for the Wasatch Development Group. Mr. Fuhriman stated this area has been referred to as the Apple Development. He described the area as 55ish acres, located directly south of Home Depot, and north of Community Park. He indicated this is probably the largest county island in city limits. He also indicated the area is completely surrounded by city infrastructure, including Holmes Avenue to the west as a five-lane principal arterial, 25th Street to the south as a two-lane major collector with a median and trees, 17th Street to the north as a five-lane minor arterial, and Jennie Lee Drive subbed into the property to the north as a major collector. Mr. Fuhriman believes it makes sense to annex this island. He reiterated the city infrastructure including water, sewer, power, and communications that surround the property. He indicated there are currently water and sewer subs into the property, and approved access onto Holmes Avenue. Per the zoning designation/purposes, Mr. Fuhriman stated the proposal is to extend Jennie Lee Drive south through the development with proposal for the west side of the Jennie Lee Drive extension zoned as Limited Commercial (LC), and the east side of the Jennie Lee Drive extension zoned as Mixed Residential (R2). Mr. Fuhriman stated, per the Comprehensive (Comp) Plan Use Map adopted in 2013, this area was planned to be designated as commercial and higher-density residential. He noted higher-density residential allows density of eight (8) to 35 units per acre, the R2 has a maximum density of 17 units per acre, and LC provides up to 35 units per acre. Mr. Fuhriman stated the commercial is designated for shopping that provides necessities for the citizens that live nearby. He also stated the proposed LC is to offer more flexibility to the developer. He indicated the Coronavirus (COVID-19) pandemic has caused hardships and he believes the LC provides the greatest flexibility. Mr. Fuhriman believes it makes sense to have higher-density housing next to collector and arterial streets, which are currently on the west, north, and south sides of the property. He also believes, per the staff report, it makes sense to encourage development that is served by public utilities, higher-density housing should be located to those streets designed to move traffic, and the Comp Plan gives good direction/definition to plan these areas. Mr. Fuhriman believes the higher-density does fit whether it's LC or R2 due to the city park, walkable services, and the schools. He stated, per emails received, the traffic along 25th Street will be addressed moving forward should this be approved. He also stated the developer will do whatever is needed to address the traffic issues, to provide the greatest development for this area, and to improve/add value to the community. Per Councilor Radford, Mr. Fuhriman believes the benefits of annexation benefits the city and the developer with the ability to tie into the current city infrastructure. Per Councilor Burtenshaw, Mr. Fuhriman clarified the Bonneville Metropolitan Planning Organization (BMPO) report referred to the road designations and the Comp Plan.

Mayor Casper requested staff presentation.

Director Cramer appeared. He presented the following:

Slide 1 - Current Comprehensive Plan Future Land Use Map

Director Cramer stated this is a general idea of what is occurring. He noted even though the new Comp Plan is included on the agenda this area will remain a similar designation as a mix of general urban which is all housing types, and neighborhood services combined with mixed use corridors. He indicated the zoning would be consistent for either Comp Plan. He also acknowledged an email received earlier in the day, and he clarified the zoning map in the packet was incorrect, there is no curve in the zoning designation for Jennie Lee Drive. Director Cramer stated his staff has received a lot of phone calls,

emails, and visits regarding this development. He clarified this item is only regarding the annexation, and if the annexation is approved a zone must also be approved per State requirement. He stated zones allow a variety of things. He explained the R2 Zone and the LC Zone, stating if residential is built in LC compliance would be required for the same standards as the R3A Zone. Director Cramer stated terms of roads, traffic enhancements, and landscaping will all come as part of the development application. He also stated if the annexation is approved there will be another hearing at some point for the preliminary plat. Councilor Burtenshaw questioned the access from Holmes Avenue and the access on 25th Street. Director Cramer stated there is sufficient length along the property for more than one (1) access although he is unsure where these will line up. He indicated the accesses will need to be separated for safety. Per Councilor Francis, Director Cramer confirmed the traffic study will come forward with the plat at a future date.

Mayor Casper requested public comment.

Susan Forsberg, Ridge Crest Drive, appeared. Ms. Forsberg expressed her concern that the developer wants flexibility. She shared an experience while living in Centerville, Utah, regarding the wetlands. She stated the developer wanted a particular land rezoned so he could potentially build, which eventually occurred. Ms. Forsberg believes it's a mistake to give the maximum flexibility beforehand. She also questioned how high-density housing, that could be three (3) stories high and apartments peering down into backyards, will fit in the community or with the single-family homes. She indicated the concern at the Planning and Zoning (P&Z) Meeting was the denseness and the impact. Ms. Forsberg requested the council listen seriously to the people, not just the developer. She believes no one at the P&Z heard the concerns or that the concerns were addressed. She stated the annexation is not the problem, the high-density is the concern.

Larry Schofield, Desert Drive, appeared. Mr. Schofield expressed his concern that the development or traffic impact cannot be talked about. He stated there's already a lot of stress on those areas, they're already boxed in, and 17th Street and Sunnyside Road gets busier every day. He stated there should be concern for traffic when talking about density and getting out on the roads. He agrees it's fine to annex the property but LC doesn't seem to fit with area.

Dan West, Desert Drive, appeared. Mr. West stated the back of his yard is on 25th Street where the proposed Jennie Lee Drive comes down. He believes the proposal of 25th Street will ruin the way 25th Street is designed. He also believes R2 should come across to the 25th Street side as well towards Community Park to prevent high-density housing, and high-density should be limited to the north and the west side of the development so it's away from the R1 neighborhoods in the surrounding area. Mr. West stated traffic is currently a mess, and Jennie Lee Drive will help people on Craig Avenue but it will cause all the traffic to the people on 25th Street. He believes the R2 needs to be extended over to Community Park. Mr. West expressed his concern for Community Park which could be messed up due to commercial properties. He stated that land has been there for 30 years, noting his house was built prior to 25th Street. He was hoping something could happen with the green space across from Community Park. He believes the zoning needs to be changed as that much latitude with the developer is asking for trouble.

Jason Lebel, Craig Avenue, appeared. Mr. Lebel stated he has no trouble with the R2. He expressed his concern for the small lots, and his house is very close to the end of the property. He begged the council to put a limit on the R2 and make it single-story. He stated he doesn't mind multi-family. Mr. Fife

reminded the council it's okay to listen to density, however, it's not appropriate to listen to specific development-related improvements or requirements. Mr. Lebel requested the zoning to be single so there are no individuals peering into his small back yard.

Jennifer Lebel, Craig Avenue, appeared. Ms. Lebel stated the city is growing, and growth is inevitable. She questioned the R2 Zone for older individuals or other families with single levels. She requested to be mindful that this area is between two (2) schools, and to be mindful of the density to not overwhelm the schools and therefore need trailers. Ms. Lebel requested to note the type of families moving here, and to make sure growth is managed well so the community does not fade away. She expressed her concern for the overflow of parking at Community Park. She wants to make sure to maintain the beauty of the city.

Carl Robison, Summerfield Drive, appeared. Mr. Robison stated he recently moved to this area from Portland, Oregon. He expressed his concern for the high-density housing in Portland as it did not provide appropriate parking, therefore, cars were parked on the streets. He stated there are always cars parked on the street at an apartment complex close to this area. He is hopeful enough parking is provided so there is not parking on the streets.

Mike Cummins, Craig Avenue, appeared. Mr. Cummins expressed his frustration for knowing what can be talked about. He expressed his concern for the high-density due to the area, stating the 35 units per acre could allow more than 1,500 individuals. He requested the consideration of a buffer for those who live in the area. He believes it would be better as R1, single-family housing. Mr. Cummins stated he is not against the developer, although he requested some space for the current owners, so they don't feel overwhelmed. He agrees the lots are tiny, and it's a quality-of-life issue. He requested the council take into consideration how this impacts the people around this area. He recognizes the need for development although he reiterated his concerns are with the zoning and the impact.

Mayor Casper believes the frustration mentioned is shared by many. She stated there are rules to preserve the due process of this type of hearing that affords to the property owner. She indicated this is about fairness.

Tracey Amos, Craig Avenue, appeared. Ms. Amos stated she agrees with the other neighbors and the issues. She requested the council not just consider the density that's impacted in this area but also the density issues that are already coming from the Jennie Lee issue and consider how much this area can handle in terms of density. Ms. Amos stated she moved to this area several years ago where planned roads were already in place for single-family units which have all been erased since the purchase of her home. She reiterated the zoning impacts the people who have invested in this area and their privacy. She requested the traffic study be presented soon which also includes the area above them.

Per Mayor Casper, Director Cramer stated the R2 is considered to be a density zone in the zoning code, and it allows a maximum of 17 units per acre and then it transitions to high-density of 35 units per acre. He also stated the R2 is seen as a transition zone from low to medium to high density. Per Councilor Burtenshaw, Director Cramer confirmed there is no zoning designation that limits height to a single-story, all zones are allowed at least two (2) stories. He noted R2, that is being requested, allows three (3) stories although if it goes above two (2) stories it must move further away from the single-family homes. He also noted LC has no height restriction other than the same buffer and any restrictions on density.

Bracken Atkinson, representative of Wasatch Development Group, appeared. Mr. Atkinson expressed his appreciation to Mr. Fuhrman, the council, and the comments. He believes these meetings are important for individuals to voice their opinions and many times the opinions can help with the development. Mr. Atkinson stated he feels the same frustration as a developer and what can be shared. Referencing the flexibility, Mr. Atkinson reiterated any residential in the LC is restricted by the R3A zoning. He stated at this stage he is still deciding how much commercial, retail, and residential knowing Idaho Falls has one of the most restricted mixed-use zones. Referencing the traffic impact, Mr. Atkinson stated traffic impact always occurs and traffic is improved, or the requested infrastructure is put in as requested. Referencing the R2, Mr. Atkinson clarified if a multi-family unit is built, he cannot do anything bigger than a four (4) plex. He noted 17 units per acre is virtually impossible with a maximum of four (4) units attached. He reiterated the maximum height of 36', stating it does not make sense to move farther away. He indicated under 36' is extremely cost prohibitive, therefore two-story is typical, and they are trying for a transitional buffer before high-density. Mr. Atkinson believes this is a great project for annexation as he has not seen an infill site to handle this type of mixed-used project, noting the main collectors, uses set by plans, being next to commercial, and being next to schools and parks that makes this a walkable community for the size and mixed-used density that's being requested. Mr. Atkinson also believes the request is justified based on things done by the city for planning, zoning, and research and he applauds the city for the foresight. He stated he looks forward to the annexation and zoning and addressing the next project.

Randy Skidmore, E. Comish Drive, appeared. Mr. Skidmore believes annexing this property into the city is a good fit for this property. He stated he has developed other property in the city and he commended the city for making sure there's a good buffer from residential to commercial. He also stated he has made a real effort to make sure there's a buffer between commercial and residential properties as this buffer protects the business as well as the commercial properties that go hand-in-hand. He requested to make sure that buffer happens.

Per Councilor Francis, Director Cramer clarified the rear setbacks for R2 and R1 are the same, and the distance must remain even with a less-dense zone. Also per Councilor Francis, Director Cramer stated parking is required with every unit that takes up land regardless of the zone. He noted vertical parking is a potential option although this is extremely expensive and there is a three-story limit. He also noted parking and landscaping eat up a lot of land which limits the true amount of density that can be built.

Mayor Casper closed the public hearing.

Councilor Burtenshaw reiterated the buffer of R2 would be the same as R1, and three (3) stories would be allowed although the setback is increased. She stated she supports the R2 zone as a buffer transition. Councilor Freeman stated he previously lived on Craig Avenue, and the county Comp Plan always designated this area as high density. He also reiterated a three-story building would be further away from the property line. He does not believe the property will support anything higher than two (2) stories. He also believes the property owner has rights, and as long as the owner is proposing something within the law the council has the duty to support that; the R2 is intended to be a buffer zone; and the developer has listened to the property owners in the area. Councilor Radford reminded the council that as the city sprawls there is an overhead of costs in infrastructure and there is no way to raise funds to maintain the roads, which is problematic, however, when the city builds within the footprint the infrastructure already exists, which is a tremendous amount of savings to the city. He

believes there is a real need in the community to embrace density. He indicated he has heard harsh things about density, although he believes that density could solve problems, and as communities have to grow and progress density must be part of the conversation. He stated he is supportive of density in a market that needs options. He wants to encourage the choice of density, and we need to find those places. He also believes this is an amazing walkable center. Councilor Radford stated he will fight for infill at every chance as this saves taxpayer's money. He believes building in fields does not have a way forward. Councilor Francis believes, based on some studies, the city may have too restrictive parking spaces. He also believes the city has tried to make sure there is plenty of parking in the LC and R2 zones so the parking would not flow out, and the transition from a mix of housing and commercial makes sense. He does not believe a walkable community will get better until the city creates areas such as this. He also believes a buffer with R2 makes sense, and he is supportive as he believes this is the right thing to do. Councilor Hally believes there have been a lot of questions with this property. He stated it would be known with development that the traffic must move east and west, and north and south. He noted 25th Street goes from Holmes Avenue and around Target and this street moves a lot of traffic, and he realizes traffic bothers people. He stated the council has had a mission for a number of years to utilize land within the city for development. He believes this is prime property for connectivity and infill, the land has been encumbered with debt, the developer will do a classy development, and he is supportive. Councilor Burtenshaw stated when the sprawl moves out of town, the traffic that is created is numerous miles to bring individuals into town for everything. She echoed Councilor Radford's comments regarding traffic with density and traffic with sprawl which is an issue and will cost the city more. Council President Dingman stated she wants to assure residents that the council does not just listen to the developers, and the council is applying legal requirements to determine if the annexation follows the Comp Plan. She also stated the city will ensure all requirements are met, and the law is clear regarding schools. She noted two (2) councilmembers live in this area and three (3) additional councilmembers live within three (3) minutes, therefore the councilmembers will be impacted personally. She also noted she is compassionate towards the residents' concern with what could be placed there although the law is clear regarding what can and cannot be considered.

It was moved by Councilor Francis, seconded by Councilor Burtenshaw, to approve the Ordinance annexing 55.033 acres, Northwest $\frac{1}{4}$ of Section 29, Township 2 North, Range 38 East under a suspension of the rules requiring three complete and separate readings and request that it be read by title and published by summary. The motion carried by the following vote: Aye - Councilors Hally, Radford, Francis, Dingman, Burtenshaw, Freeman. Nay - none.

At the request of Mayor Casper, the City Clerk read the ordinance by title only:

ORDINANCE NO. 3439

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; PROVIDING FOR THE ANNEXATION OF APPROXIMATELY 55.033 ACRES DESCRIBED IN EXHIBIT A OF THIS ORDINANCE, AMENDING THE LEGAL DESCRIPTION OF THE CITY WITH THE APPROPRIATE COUNTY AND STATE AUTHORITIES; AND PROVIDING SEVERABILITY, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

It was moved by Councilor Francis, seconded by Councilor Burtenshaw, to approve the Reasoned Statement of Relevant Criteria and Standards for the annexation of 55.033 acres, Northwest $\frac{1}{4}$ of Section 29, Township 2 North, Range 38 East and give authorization for the Mayor to execute the necessary documents. The motion carried by the following vote: Aye - Councilors Francis, Dingman, Freeman, Hally, Radford, Burtenshaw. Nay - none.

- 4) Public Hearing-Part 2 of 2 of the Annexation and Initial Zoning of LC, Limited Commercial and R2, Mixed Residential, Initial Zoning Ordinance and Reasoned Statement of Relevant Criteria and Standards, 55.033 Acres, NW ¼ of Section 29 Township 2 North, Range 38 East.

Attached is part 2 of 2 of the application for Annexation and Initial Zoning of LC, Limited Commercial and R2, Mixed Residential which includes the Initial Zoning Ordinance and Reasoned Statement of Relevant Criteria and Standards for 55.033 Acres, NW ¼ of Section 29 Township 2 North, Range 38 East. The Planning and Zoning Commission considered this item at its November 9, 2021, meeting and recommended approval of LC, Limited Commercial and R2, Mixed Residential by a unanimous vote. Staff concurs with this recommendation and recommends approval.

It was moved by Councilor Francis, seconded by Councilor Burtenshaw, to assign a Comprehensive Plan Designation of "Commercial" and "Higher Density" and approve the Ordinance establishing the initial zoning for LC, Limited Commercial and R2, Mixed Residential as shown in the Ordinance exhibits under a suspension of the rules requiring three complete and separate readings and request that it be read by title and published by summary, that the City limits documents be amended to include the area annexed herewith, and that the City Planner be instructed to reflect said annexation, amendment to the Comprehensive Plan, and initial zoning on the Comprehensive Plan and Zoning Maps located in the Planning office. The motion carried by the following vote: Aye - Councilors Freeman, Francis, Hally, Radford, Burtenshaw, Dingman. Nay - none.

At the request of Mayor Casper, the City Clerk read the ordinance by title only:

ORDINANCE NO. 3440

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; PROVIDING FOR THE INITIAL ZONING OF APPROXIMATELY 55.033 ACRES DESCRIBED IN EXHIBIT A OF THIS ORDINANCE AS LC, LIMITED COMMERCIAL AND R2, MIXED RESIDENTIAL ZONE; AND PROVIDING SEVERABILITY, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

It was moved by Councilor Francis, seconded by Councilor Burtenshaw, to approve the Reasoned Statement of Relevant Criteria and Standards for the Initial Zoning of LC, Limited Commercial R2, Mixed Residential and give authorization for the Mayor to execute the necessary documents. The motion carried by the following vote: Aye - Councilors Dingman, Radford, Francis, Burtenshaw, Hally, Freeman. Nay - none.

- 5) Public Hearing-Rezone from R3A, Residential Mixed Use, R1, Single Dwelling Residential, PB, Professional Business Office and R2, Mixed Residential to LC, Limited Commercial and R2, Mixed Residential, Zoning Ordinance and Reasoned Statement of Relevant Criteria and Standards, Approximately 3.079 acres, SW ¼, NW ¼ of Section 29, Township 2 North, Range 38 East.

Attached is the application for Rezoning from R3A, R1, PB and R2 to LC and R2, Zoning Ordinance, and Reasoned Statement of Relevant Criteria and Standards for approximately 3.079 acres, SW ¼, NW ¼ of Section 29, Township 2 North, Range 38 East. The Planning and Zoning Commission considered this item at its November 9, 2021, meeting and recommended to the Mayor and City Council approval of the zone change with a unanimous vote. Staff concurs with this recommendation.

Mayor Casper opened the public hearing and ordered all items presented be entered into the record. She requested applicant presentation.

Caden Fuhrman, Horrocks Engineers, appeared on behalf of the Wasatch Development Group. Mr.

Fuhriman stated this is a clean-up of the previous item. He indicated the intentions, if Jennie Lee were extended, are for the west portion of the property to be zoned LC and the east side of the property to be zoned R2. He stated there are sections that have already been annexed and given a zone and rezoned at some point, and rezoning the lots would match the recently-approved initial zoning.

Per Councilor Francis, Mr. Fuhriman identified the LC and the R2 on the displayed slide.

Mayor Casper requested staff presentation.

Director Cramer appeared. He stated the rezone is consistent with the existing Comp Plan as well as the proposed Comp Plan (later on the agenda) and is similar in nature to the zone that was just approved.

Mayor Casper requested public comment. No one appeared. She closed the public hearing.

It was moved by Councilor Francis, seconded by Councilor Burtenshaw, to approve the ordinance rezoning approximately 3.079 acres, SW ¼, NW ¼ of Section 29, Township 2 North, Range 38 East from R3A, R1, PB and R2 to LC and R2 under a suspension of the rules requiring three complete and separate readings and request that it be read by title and published by summary. The motion carried by the following vote: Aye - Councilors Radford, Freeman, Burtenshaw, Francis, Dingman, Hally. Nay - none.

At the request of Mayor Casper, the City Clerk read the ordinance by title only:

ORDINANCE NO. 3441

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; PROVIDING FOR THE REZONING OF APPROXIMATELY 3.079 ACRES AS DESCRIBED IN SECTION 1 OF THIS ORDINANCE, REZONE 0.818 ACRES FROM R2, MIXED RESIDENTIAL TO LC, LIMITED COMMERCIAL, 1.658 ACRES FROM R3A, RESIDENTIAL MIXED USE TO LC, LIMITED COMMERCIAL, 0.379 ACRES FROM PB, PROFESSIONAL BUSINESS OFFICE TO R2, MIXED RESIDENTIAL AND 0.224 ACRES FROM R1, SINGLE DWELLING RESIDENTIAL TO R2, MIXED RESIDENTIAL; AND PROVIDING SEVERABILITY, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

It was moved by Councilor Francis, seconded by Councilor Burtenshaw, to approve the Reasoned Statement of Relevant Criteria and Standards for the Rezone from R3A, R1, PB and R2 to LC and R2 and give authorization for the Mayor to execute the necessary documents. The motion carried by the following vote: Aye - Councilors Hally, Burtenshaw, Dingman, Freeman, Francis, Radford. Nay - none.

- 6) Public Hearing-Rezone from HC, Highway Commercial to LC Limited Commercial, Zoning Ordinance and Reasoned Statement of Relevant Criteria and Standards for approximately 20.5 acres in the northwest 1/4 northeast 1/4 of Section 16, Township 2 North, Range 38 East and Lots 1 and 2, Block 1 Liberty Park.

Attached is the application for Rezoning from HC to LC, Zoning Ordinance, and Reasoned Statement of Relevant Criteria and Standards for approximately 20.5 acres in the northwest 1/4 northeast 1/4 of Section 16, Township 2 North, Range 38 East and Lots 1 and 2, Block 1 Liberty Park. The Planning and Zoning Commission considered this item at its February 2, 2022, meeting and recommended to the Mayor and City Council approval of the zone change with a unanimous vote. Staff concurs with this recommendation.

Mayor Casper opened the public hearing and ordered all items presented be entered into the record.

Director Cramer stated this rezone contains 28.5 acres that is south and west of Costco development on Hitt Road and Lincoln Road, and on the south side of the road next to Lincoln Park.

Mayor Casper requested applicant presentation.

Rachel Whoolery, Rexburg, appeared. Ms. Whoolery stated she is representing the owners of the parcel. She also stated this property is contiguous to another property zoned as LC. She reiterated the location stating they believed a mixed-use zone would meet the needs of the community with some commercial that aligns with Costco, but having the park and the school, they wanted residential as well. She believes both uses would bring walkable communities to an area that does not have much housing yet. Ms. Whoolery indicated Idaho Falls has a housing shortage due to rising costs of 35.8% in the last year, a population growth of 13.74% in the last ten (10) years, and the INL just received more contracts with a projected job growth of 43% in the next ten (10) years. She stated they want to bring the middle-housing option into this area as they realize there is not enough middle housing in Idaho Falls. Ms. Whoolery stated the rezone would allow for commercial and residential. She also stated services were looked at, noting the hardest thing is to drag these services house to house which is expensive. She believes the 23 acres would allow more density but the infrastructure would only need to be dragged once to the parcel. Ms. Whoolery stated they have spent a lot of time looking at the needs, and they believe this development would protect the current existing neighborhoods in Idaho Falls with the transition pockets of box stores. She also stated they want to bring that density and population and residence to this transition strip to create a community.

Mayor Casper requested staff presentation.

Director Cramer appeared. He presented the following:

Slide 1 - Property under consideration in current zoning

Director Cramer stated this was a city-initiated annexation in 2018 and at the time the city tried to honor the wishes of the landowner which would have allowed storage units, and was most compatible with the county zone of C2. He also stated the requested LC zone is consistent with similar zoning in the area to the west and the northwest, noting there is also R1 and HC in the area.

Slide 2 - Comprehensive Plan Future Land Use Map

Director Cramer stated this is a mix of higher-density, commercial, and lower-density.

Slide 3 - Aerial photo of property under consideration

Slide 4 - Additional aerial photo of property under consideration

Director Cramer stated this is a developing area. He identified the uses in the area.

Slide 5 - Photos looking south across the property

Director Cramer stated the land is currently undeveloped.

Per Councilor Freeman, Director Cramer stated the primary access is to Lincoln Road, and there is a stub road into the single-family development. He noted this area was originally platted for 82 single-family lots.

Mayor Casper requested public comment.

Carl Robison, Summerfield Drive, appeared. Mr. Robison believes this property is away from town, and he is assuming the individuals living there may need private transportation as there's not much commercial development in that area. He wants to make sure the density of LC does not overwhelm the parking in the subdivision that's created.

Mayor Casper closed the public hearing.

Councilor Francis believes this rezone makes sense as Costco has changed the area. He also believes this is a nice transition zone.

It was moved by Councilor Francis, seconded by Councilor Burtenshaw, to approve the ordinance rezoning approximately 20.5 acres in the northwest 1/4 northeast 1/4 of Section 16, Township 2 North, Range 38 East and Lots 1 and 2, Block 1 Liberty Park from HC to LC under a suspension of the rules requiring three complete and separate readings and request that it be read by title and published by summary. The motion carried by the following vote: Aye - Councilors Burtenshaw, Hally, Radford, Dingman, Freeman, Francis. Nay - none.

At the request of Mayor Casper, the City Clerk read the ordinance by title only:

ORDINANCE NO. 3442

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; PROVIDING FOR THE REZONING OF APPROXIMATELY 20.5 ACRES OF NW 1/4 NE 1/4, SEC 16, T2N, R38 AND LOT 1 & 2, BLOCK 1, LIBERTY PARK AS DESCRIBED IN SECTION 1 OF THIS ORDINANCE FROM HC, HIGHWAY COMMERCIAL, TO LC, LIMITED COMMERCIAL, AND PROVIDING SEVERABILITY, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

It was moved by Councilor Francis, seconded by Councilor Burtenshaw, to approve the Reasoned Statement of Relevant Criteria and Standards for the Rezone from HC to LC and give authorization for the Mayor to execute the necessary documents. The motion carried by the following vote: Aye - Councilors Dingman, Burtenshaw, Francis, Freeman, Hally, Radford. Nay - none.

- 7) Public Hearing-Part 1 of 2 of the Annexation and Initial Zoning-Annexation Ordinance and Reasoned Statement of Relevant Criteria and Standards for 22.669 acres, Northeast ¼ of Section 31, Township 3 North, Range 38 East.

Attached is part 1 of 2 of the application for Annexation and Initial Zoning of R3A, Residential Mixed Use with the Airport Overlay Zone of Approach Surface which includes the Annexation Ordinance and Reasoned Statement of Relevant Criteria and Standards for 22.669 acres, Northeast ¼ of Section 31, Township 3 North, Range 38 East. The Planning and Zoning Commission considered this item at its January 4, 2022, meeting and recommended approval by a unanimous vote. Staff concurs with this recommendation.

Mayor Casper opened the public hearing and ordered all items presented be entered into the record. She stated the proposed annexation is north of Sage Lakes Golf Course and just south of 65th North and just east of 5th East. She requested applicant presentation.

Clint Jolley, HLE, appeared. Mr. Jolley reiterated the location. He stated the property is currently

adjacent to the city on the north and the west, and the requested initial zoning is R3A. He indicated the property line stops at the canal.

Per Councilor Freeman, Mr. Jolley stated there is direct access to 5th East and a stub road, and there is no bridge at the canal. Per Councilor Francis, Mr. Jolley stated the canal is not in the annexation.

Mayor Casper requested staff presentation.

Director Cramer appeared. He clarified the annexation includes the canal although the property line does not include the canal.

He presented the following:

Slide 1 - Property under consideration in current zoning

Director Cramer identified the surrounding zones, stating the requested zone is similar to existing zones.

Slide 2 - Comprehensive Plan Future Land Use Map

Director Cramer identified the uses in the area, stating the R3A is consistent.

Slide 3 - Idaho Falls Regional Airport Off Airport Land Use

Director Cramer stated the property is within the Airport Overlay Zone although at this stage it's far enough away from the airport so the only restriction is regarding height. He also stated there are no concerns in terms of development.

Slide 4 - Aerial photo of property under consideration

Director Cramer stated there's a plat that's not developed to the north, Sage Lakes to the west, large lots single-family and undeveloped land surrounding the immediate area, and Fairway Estates to the south.

Slide 5 - Additional aerial photo of property under consideration

Slide 6 - Map of current utilities

Director Cramer stated the developer would need to extend the utilities to the property as part of the planning process and permitting process.

Slide 6 - Photos looking north and south of the property

Director Cramer stated the property is currently undeveloped in the immediate area.

Mayor Casper requested public comment. No one appeared. Per Councilor Francis, Director Cramer confirmed there are no houses in the area to the north, and the plat has been in place since 2007. Mayor Casper closed the hearing.

It was moved by Councilor Burtenshaw, seconded by Councilor Francis, to approve the ordinance annexing 22.669 acres, Northeast ¼ of Section 31, Township 3 North, Range 38 East under a suspension of the rules requiring three complete and separate readings and request that it be read by title and published by summary. The motion carried by the following vote: Aye - Councilors Francis, Dingman, Freeman, Hally, Burtenshaw. Nay - Councilor Radford.

At the request of Mayor Casper, the City Clerk read the ordinance by title only:

ORDINANCE NO. 3443

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; PROVIDING FOR THE ANNEXATION OF APPROXIMATELY 22.669 ACRES DESCRIBED IN EXHIBIT A OF THIS ORDINANCE, AMENDING THE LEGAL DESCRIPTION OF THE CITY WITH THE APPROPRIATE COUNTY AND STATE AUTHORITIES; AND PROVIDING SEVERABILITY, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

It was moved by Councilor Burtenshaw, seconded by Councilor Francis, to approve the Reasoned Statement of Relevant Criteria and Standards for the annexation of 22.669 acres, Northeast $\frac{1}{4}$ of Section 31, Township 3 North, Range 38 East and give authorization for the Mayor to execute the necessary documents. The motion carried by the following vote: Aye - Councilors Burtenshaw, Hally, Dingman, Freeman, Francis. Nay - Councilor Radford.

- 8) Public Hearing-Part 2 of 2 of the Annexation and Initial Zoning of R3A, Residential Mixed Use with an Airport Overlay Zone of Approach Surface, Initial Zoning Ordinance and Reasoned Statement of Relevant Criteria and Standards, 22.669 Acres, Northeast $\frac{1}{4}$ of Section 31 Township 3 North, Range 38 East.

Attached is part 2 of 2 of the application for Annexation and Initial Zoning of R3A, Residential Mixed Use with the Airport Overlay Zone of Approach Surface which includes the Initial Zoning Ordinance and Reasoned Statement of Relevant Criteria and Standards for 22.669 Acres, Northeast $\frac{1}{4}$ of Section 31 Township 3 North, Range 38 East. The Planning and Zoning Commission considered this item at its January 4, 2022, meeting and recommended approval of R3A, Residential Mixed Use with the Airport Overlay Zone of Approach Surface by a unanimous vote. Staff concurs with this recommendation and recommends approval.

It was moved by Councilor Burtenshaw, seconded by Councilor Francis, to assign a Comprehensive Plan Designation of "Residential and Estate" and approve the Ordinance establishing the initial zoning for R3A, Residential Mixed Use with the Airport Overlay Zone of Approach Surface as shown in the Ordinance exhibits under a suspension of the rules requiring three complete and separate readings and request that it be read by title and published by summary, that the City limits documents be amended to include the area annexed herewith, and that the City Planner be instructed to reflect said annexation, amendment to the Comprehensive Plan, and initial zoning on the Comprehensive Plan and Zoning Maps located in the Planning office. The motion carried by the following vote: Aye - Councilors Hally, Francis, Dingman, Burtenshaw, Freeman. Nay - Councilor Radford.

At the request of Mayor Casper, the City Clerk read the ordinance by title only:

ORDINANCE NO. 3444

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; PROVIDING FOR THE INITIAL ZONING OF APPROXIMATELY 22.669 ACRES DESCRIBED IN EXHIBIT A OF THIS ORDINANCE AS R3A, RESIDENTIAL MIXED USE AND AIRPORT OVERLAY ZONE OF APPROACH SURFACE; AND PROVIDING SEVERABILITY, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

It was moved by Councilor Burtenshaw, seconded by Councilor Francis, to approve the Reasoned Statement of Relevant Criteria and Standards for the Initial Zoning of R3A, Residential Mixed Use and

give authorization for the Mayor to execute the necessary documents. The motion carried by the following vote: Aye - Councilors Freeman, Burtenshaw, Francis, Dingman, Hally. Nay - Councilor Radford.

- 9) Ordinance amending Title 10, chapter 7 of the City of Idaho Falls Form Based Code Use Category and Subcategory Table to allow neighborhood retail and neighborhood services in the Edge C Subdistrict. Attached is an ordinance amending the Form Based Code for the Downtown District to allow for neighborhood retail and neighborhood services in the Edge C Subdistrict. The purpose of an Edge Subdistrict is to, "...provide a transition between the Core and General Subdistricts and adjacent open space, residential or alternative Place Types." The code also specifies that the Edge C Subdistrict, "...provides an important transition between Core Subdistricts and existing established single unit residential areas. Mixed-use development is lower in intensity." This low-intensity guide is the reason for selecting "neighborhood" scale retail and service, which limits the uses and size of the use. Edge C covers F and G Streets on the north end of town, which historically have included retail and service uses, but were left out of the allowed use tables in the code. On January 4, 2022, the Planning and Zoning Commission recommended approval of the amendment to the Form Based Code as presented to the Mayor and City Council. Voting was unanimous.

Mayor Casper opened the public hearing and ordered all items presented be entered into the record. She requested staff presentation.

Director Cramer appeared. He presented the following:

Slide 1 - Subdistricts

Director Cramer stated the downtown area has a Form Based Code. He identified the north end as Edge C which is meant to be a transition.

Slide 2 - Aerial photo of downtown area

Director Cramer stated Edge C is supposed to transition between downtown and the commercial center of where downtown ends and the residential begins. He also stated in the original draft of the code, Edge C didn't allow commercial uses, although this block has historically been commercial and office uses. Due to developers coming forward with ideas for commercial uses, Director Cramer stated staff recognized that code doesn't make sense.

Slide 3 - Land Use Tables

Director Cramer proposed the Land Use Tables be amended to add neighborhood retail and neighborhood service to the Edge C zone so those uses would be allowed. He stated neighborhood would limit which type of commercial and services would be allowed, and it would limit the maximum square footage that would be allowed to keep a transitional zone. He also stated the needed services would be on a limited scale so they're not intrusive into the residential neighborhood.

Per Councilor Francis, Director Cramer confirmed there could be residential with small commercial next door, or residential could live above small commercial on this specific block. Also per Councilor Francis, Director Cramer explained Form Based Code is different than tradition Euclidean zoning ordinances in the city as most ordinances focus on the separation of land uses, which land use is first. The Form Based Code is more concerned with the character of the area, the form of the building, and how it interacts with the public way so it's form first and use second.

Mayor Casper requested public comment. No one appeared. Mayor Casper closed the public hearing.

Councilor Burtenshaw identified the street.

It was moved by Councilor Burtenshaw, seconded by Councilor Francis, to approve the ordinance amending the Form Based Code to allow neighborhood retail and neighborhood services in the Edge C Subdistrict under a suspension of the rules requiring three complete and separate readings and request that it be read by title and published by summary. The motion carried by the following vote: Aye - Councilors Hally, Radford, Francis, Freeman, Burtenshaw, Dingman. Nay - none.

At the request of Mayor Casper, the City Clerk read the ordinance by title only:

ORDINANCE NO. 3445

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; AMENDING TITLE 10, CHAPTER 7 OF THE CITY OF IDAHO FALLS FORM BASED CODE TO AMEND THE USE CATEGORY AND SUBCATEGORY IN TABLE 4.0 USES IN SECTION 4 TO ALLOW NEIGHBORHOOD RETAIL AND NEIGHBORHOOD SERVICES IN THE EDGE C SUBDISTRICT AND PROVIDING SEVERABILITY, CODIFICATION, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

10) Public Hearing and Resolution to Adopt the Capital Improvement Plan and Development Impact Fee Study

Idaho Code Title 67, Chapter 82 authorizes cities and counties to impose development impact fees to cover the costs of necessary infrastructure and facility improvements in compliance with the requirements of the Act.

In order to implement an equitable impact fee system for the public facilities identified and to include 1.) parks, 2.) police, 3.) fire/EMS and 4.) transportation, the City retained TischlerBise, Inc. to prepare an impact fee study titled "Capital Improvement Plan and Development Impact Fee Study of City of Idaho Falls, Idaho 2021", dated December 15, 2021. The study developed maximum supportable development impact fees that could be imposed on new development to meet the new demands generated for public facilities within the City.

The study has been reviewed by staff and the Impact Fee Advisory Committee. Impact fee discussions were held at Work Sessions on November 8, 2021, November 22, 2021 and February 7, 2022. The Impact Fee Advisory Committee voted to recommend the City Council accept the impact fee study at their meeting held on January 24, 2022.

Staff recommends approval of the Resolution adopting the study. Adoption of the study does not require the City to implement impact fees but is a required step in order for the City to consider them.

Mayor Casper opened the public hearing and ordered all items presented be entered into the record. She requested staff presentation.

Public Works Director Chris Fredericksen appeared. Director Fredericksen stated several departments have worked on this item, and he recognized City Engineer Kent Fugal as the project manager. He stated TischlerBise was hired in March 2021, to complete the study. He noted the cost of the study was approximately \$48,000. He also stated staff has worked with the community to develop an Impact

Advisory Committee, consisting of citizen members per State Code requirements. Director Fredericksen stated based on concerns following the Council Work Session presentations, the transportation fees were reduced by approximately \$1,800-1,900, and the Parks and Recreation (P&R) fees increased by approximately \$178. He also stated the Impact Advisory Committee recommended: four (4) separate funds be established for the four (4) different types of impact fees; credits be established for gift properties; allow for credits to be created for completed work; fees being phased-in over time; option of a tax levy consideration to spread over five (5) years; and a preference to consider 50% of payment at building permit and 50% payment at Certificate of Occupancy. Director Fredericksen indicated these proposals were discussed at the February 7, 2022 Council Work Session. He also indicated he met with the county commission regarding the final plans. Director Fredericksen explained the reduction of the transportation fees, stating 25% of arterial development could be completed with federal aid, and fund balances in the amount of \$1.5M could be rolled over. He also explained the P&R fees stating the acreage was based on a 5-year history of \$20,000 per acre, which was outdated, therefore the cost to purchase increased to \$30,000 per acre. Director Fredericksen stated all fees are looked at as an incremental expansion as the city looks at the existing level of service that is provided and what cost would be needed with impact fees to maintain that same level of service based on growth. He indicated the fee components within the study are that type with the exception of a \$4.2M component for additional space for the proposed Law Enforcement Complex (LEC). This would allow the LEC to be built bigger for future growth, and the need for 15 new police vehicles totaling \$830,500. Fire Chief Duane Nelson appeared. Chief Nelson emphasized the fees will not be set at this meeting, the consideration is for future planning and city growth. He stated the growth puts a strain on fire and Emergency Medical Services (EMS). He also stated the current tax levy maintains the service of delivery, however, the fire department needs to meet those challenges of growth with new fire stations, new apparatus, and new training centers. He indicated these impact fees would allow planning for the future of Idaho Falls and would allow continuing with the great service that is currently provided. P&R Director PJ Holm appeared. Director Holm stated Idaho Falls struggles with greenspace as this greenspace is for the entire region, noting there is not a lot of greenspace provided outside of the city for the greater region. He indicated this is a large burden to maintain and operate and the impact fees would help with the greenspace as the city grows. Director Holm stated the plan identifies four (4) different types of parks: neighborhood parks which include passive and active recreational opportunities; community parks for larger areas which include intense, active, and passive recreational opportunities; civic parks which are specialized for single-purpose parks; and indoor recreation centers which can also be used for community gatherings. He also stated the plan includes allocation to each of the tiers through impact fees. Director Holm stated there are easements around the community designed for pathways as part of the Connecting Our Community plan noting these pathways will need to be built out to make Idaho Falls a walkable, connected community. He reiterated additional greenspace will be needed as the city grows. He indicated the P&R Department takes on new property and works this property into the current maintenance and level of service. He stated P&R would need to utilize funds from the General Fund or utilize these impact fees to prioritize capital growth and capital purchases for the future. He also stated P&R needs to look at amenities such as splash pads, shelters, and picnic benches for these greenspaces which would add benefit to the community. Per Mayor Casper, Director Holm stated the southernmost park is The Dunes (a small neighborhood park), Sandy Downs, or Sunnyside Park, and the northern most park is Freeman Park. Police Captain Joel Tisdale appeared. Captain Tisdale stated the IFPD appreciates the work of the study and believes it's vital and accurate although it may be conservative as the IFPD sees there are needs beyond the study. He believes the community has been disappointed in the IFPD as growth has outpaced the capacity of the IFPD. He recognizes impact fees can't assist with funding police officers, however, these impact fees could provide the needed

equipment and training in order to deploy an officer. Director Cramer appeared. Director Cramer stated the CDS Department will not receive impact fees although the fees could relate to city planning. He believes all voices regarding impact fees are valuable and provide a different perspective that may not be known until heard. He also believes the many voices not currently present are valuable as well noting CDS tries to reach as many in the community as possible during the planning process. He stated focus groups and neighborhood meetings were held, and two (2) surveys were conducted that shares those other voices. He also stated the city's Comprehensive Plan has recommended the review and implementation of impact fees since 1993 although it's only been recent that the city has felt the real pressure of growth and cost with that growth. Director Cramer provided a quote from the first ImagineIF survey which addressed the fear of significant tax increases, and the desire for more outdoor activities and greenspace. He also noted a common theme was that road infrastructure is not keeping up with the growth, and a less common quote was to use impact fees for new development and delivery of city services in lieu of imposing new taxes on existing residents. He emphasized as growth increases the pressure has been felt for more police services, fire services, parks services, and road services and the taxes are being relied upon to maintain what the city has and to provide new. He stated the argument in favor of impact fees generally is if it were not for the growth, we wouldn't need the new as these impact fees would help pay for infrastructure and facilities that wouldn't have otherwise been needed. Also from the survey of approximately 660 respondents, Director Cramer provided the number of times key words (infrastructure, traffic, roads, parks, safety) appeared in the survey, stating these were a common theme regarding concern about the effects of growth on the city and personal property taxes. He believes this is a tool to help those needs, while he understands the opposing voices are valuable. Per Councilor Radford, Director Cramer is unsure of the exact number or percentage of cities in Idaho with impact fees, although he believes Idaho Falls is one (1) of the larger cities that does not have these fees. Also per Councilor Radford, Director Cramer did not see the impact of housing costs when impact fees were adopted.

Mayor Casper requested public comment.

TJ Nottestad, Jex Lane, appeared. Mr. Nottestad stated, as being a member of the Impact Fee Advisory Committee, he has learned more about impact fees through the process and recognizes there's a problem due to the growth. He noted there were three (3) changes to study, including the initial fee, and an addendum/change that was made to arterial lane miles which then changed the impact fee dramatically for residential. He referenced the reduced cost (as explained by Director Fredericksen). Mr. Nottestad stated the study was commissioned by the city for a purpose with input from department leaders on what they need and how to get it. He also stated, as a member of the Eastern Idaho Home Builders Association, there is a comprehensive study on impact fees. He indicated in that study, it is stated that growth does not pay for itself and this is how growth can pay for itself. He believes the study that was commissioned by the city has to be looked at, and it has to be proportional. He reiterated the study was commissioned by the city for the specific purpose of imposing impact fees or not. Mr. Nottestad stated, referencing the survey, no builders were contacted or input was never offered. He believes there is valuable input from the local building community that could assist with the impact fees. He reiterated the study should be looked at completely.

Carl Robison, Summerfield Drive, appeared. Mr. Robison stated he and his wife moved to Idaho Falls in May of 2021, and his wife is from Idaho Falls. He provided a brief history of the family's moves within the state. He also stated he did not see in the impact study where a large contribution to the community was taken into account, and he also didn't see how the population growth and tax base

growth was included in the study. Mr. Robison stated he is hopeful that the impact fees are accounted for in a special purpose fund with total transparency.

Mark Radford, Idaho Falls, appeared. Mr. Radford believes the question of property taxes paying for infrastructure should be included in the study, and can property taxes pay for police and fire. He questioned why those numbers are not included in the impact fee study as he believes those numbers would resolve 99% of concerns. He also questioned why more taxes and why more fees.

Randy Skidmore, E. Comish Drive, appeared. Mr. Skidmore stated he has not paid an impact fee for any city, state, or county work. He noted the first people coming to Idaho Falls did not pay or have paid an impact fee. He believes it's the responsibility of the city to manage the funds and provide services for residents. He understands there are a flood of people coming in, but these people are buying houses, building buildings, bringing businesses with them, and are paying taxes. Mr. Skidmore stated he is 100% supportive of police, first responders, and firemen, although he believes putting this in the study is a one-sided approach. He also believes there would be taxation without representation if the funds imposed were not directed where they're supposed to go. Mr. Skidmore stated he is contemplating a retail space development project, noting the impact fees would impact that one (1) project by \$80,000. He also stated if that amount were divided by the shell of the building, this would be almost a 5% increase. He believes this is a ridiculous amount of money to impact the cost of one (1) building. Mr. Skidmore stated, referencing the P&R, there is a strip along a canal in a subdivision that was given to the city as a requirement for green area. He noted this area is weed and rocks. He indicated he tried to deed this area to the city but the city won't take it. He also indicated he is paying the taxes. Mr. Skidmore stated he has also heard rumors that there could be impact fees on the state level for schools, first responders, and highways. He believes the impact fee is a bad way to go, and there should be a different way to fund projects.

Josh Cummings, appeared. Mr. Cummings indicated he heard a rumor that there was a requirement to sign up for public comment, and he believes more comment may have been received if not for this rumor. Mr. Cummings stated he has experience with planning commissions, budget committees, boards, and city councils regarding a variety of funds. He also stated his observation was that impact fees created problems for the city council, local businesses, and specific industries. These fees were designed to be an easy fix to a complex challenge but instead it created huge barriers for growth, and it was difficult to identify who benefits from growth. Mr. Cummings stated the impact fees made it difficult for the construction industry, and contractors had no choice but to pass the fee onto buyers which made it difficult to compete in an already competitive market for existing businesses and more painful for the consumer. His suggestions to consider for the study would be how this would affect the city council and local businesses. He believes if the study is passed it would be more difficult to sell new homes, and taxes must still be paid. Mr. Cummings questioned if new homes increase the tax base. He believes the more taxpayers there are the more funds there are, and new homeowners are not the only ones who benefit from growth as new infrastructure is available to all members of the public. He also believes it would be unfair for a new homeowner to pay additional fees for improvements used by any member of the public. Mr. Cummings perceives what could be unfair is how cities incentivize big businesses by reducing their tax obligations, this could be problematic to the residential industry. He believes approving this in the same meeting doesn't give the public enough time to comment or consider the effects of the study. He recommended this be looked at closer and considered carefully.

Brian Jacobsen, Pier View Drive, appeared. Mr. Jacobsen stated he is hoping this is not approved. He

indicated he's a local attorney and as he has listened to the testimony. He believes, per the directors, that more money will help the city and will help plan for future. He also believes the study puts 100% of the cost of new growth on developers and the home builders. He also stated, per the directors, that the funds will expand the greenbelt, install additional lights, and install splash pads. He believes this has nothing to do with growth. He also quoted Director Cramer 'were it not for the new we wouldn't need it'. Mr. Jacobsen believes we would still want it. He stated he has heard the impact study does not address the larger tax base from new growth, and the quote should be 'were not for the growth we wouldn't have a larger tax base'. Mr. Jacobsen reviewed the requirements under Idaho Code Title 67, Chapter 82 regarding development impact fees and that these fees should be done according to the proportionate share on a reasonable and fair formula. He also reviewed requirements including general tax and other revenue, and governmental entity developing a plan for alternative sources of revenue, stating these are absent from the study. Mr. Jacobsen read from the study regarding the projected capital costs, which he believes is asking the developer to pay 100% of the cost of new infrastructure. He also read from the study, regarding general tax dollars which he believes the councilmembers are voting for, estimates related to the entire costs which goes against what the statute authorizes. Mr. Jacobsen believes there will be a lot of litigation if the study is adopted.

Dan Green, Jefferson County resident and former Bonneville County resident, appeared. Mr. Green noted, per the agenda, if the resolution is adopted, the opportunity to collect is also adopted. He believes the study is not complete, and there should be serious consideration to table this until other things can be taken into consideration especially as the impact fees will be handling all increase of development. He also believes there are several individuals who want to talk about the fees and how property taxes should be taking care of services. Mr. Green compared the impact fees to sales tax, stating if there is no objection to the study then they'll have to come back and object to the fees. He believes this is ill-advised. Mr. Green indicated he's a former police officer and he believes the police need to be taken care of. He stated as a homeowner, he would like his neighbors to pay for his mortgage, and that is what will happen. He believes builders will pay for services that everyone should be paying for.

Mark Radford, reappeared. Mr. Radford believes the study should be passed. He stated the road past 65th South is crazy and he's questioned how to pay for this. He was told the county owns the road. He was also told that property taxes should pay for this, noting the road from Ammon to Iona has not been paid for. He indicated this is the same situation on 49th South and Holmes. He stated he doesn't believe with everything in the study, noting taxes can't cover this stuff, and this needs to be a win-win for everyone. He also believes the builders won't pay for this, the homeowners will pay. Mr. Radford believes more study needs to be done showing taxes can't pay for this, and this needs to occur to create a good community. He also believes the general populous should pay the impact fee.

Nadeen Mickelson, Ammon resident and former executive officer for the Eastern Idaho Builders Association, appeared. Ms. Mickelson stated for every \$1,000 that a home price is increased it eliminates 158 buyers, and for every \$6,100 it takes 39 out of 180 people from being able to purchase that house. She also stated wages are not keeping up with housing costs. She questioned how many people could actually afford a house. Ms. Mickelson stated, referencing the commercial, property owned on Hitt Road would have an increase, although any building in Ammon would not have to pay this fee. She questioned the benefit of building in Idaho Falls.

Todd Webb, Trappers Ridge, appeared. Mr. Webb distributed a hand-out regarding increasing home

sales, home prices, new listings, interest rates, days on market, weeks of inventory, average sales prices, and sales over time. He stated a study by the NAHB indicated impact fees will bring in more money than taxes, although in 4½ years the impact fees will cross and property taxes will continue to increase. He noted there is an increase in houses so the increase for taxes were increased by 20% for 2020. He also noted the median of salaries for Idaho Falls is approximately \$60,000. Mr. Webb reviewed the amount of monthly taxes for houses noting banks will not lend money for the cost of housing. He stated there would be an increase of fees by 1.68% for new residential. He also stated he does not want to see impact fees, no one wants to be like California or Oregon. He believes there should not be more government.

Forrest Ihler, 10th Street, appeared. Mr. Ihler stated he is neither for or against the study, however, he did not notice the effect this would have on the affect with no growth. He believes this would create more people driving longer distances which would create a suburban sprawl that we don't want, and the goals of infill would not happen. He questioned if there could be coordination with other municipalities.

Steve Serr, appeared. Mr. Serr stated he is not trying to speak for or against what the city is trying to do. He also stated his major concern is if the fees are increased there will be a huge influx of individuals moving to and building in the county. He indicated the county does not have services available to meet the needs of the residential growth. He expressed his concern how this would affect the city, possibly creating a huge decrease in development. Mr. Serr indicated the impact to a commercial development in the county was \$980,000 with the impact fee structure. He stated it was indicated that the city does not want the county to adopt an impact fee ordinance but the city would like the county to adopt an impact fee ordinance. He is unsure how to do this, and assist the city in offsetting the impact fees in the city. He stated if the impact fee is collected in the county it would impact the county infrastructure, not the city infrastructure and would not off-set the city. Mr. Serr stated he does not disagree with the analyst, although he doesn't agree with some of the interpretations how it applies to State Law, which he referenced. He also stated if the county were to implement impact fee it would be designed to the subdivision, not toward another project. Mr. Serr believes this has been promoted to create the city as a whole one (1) zone which is not meeting the impact of the development in a neighborhood. He stated the county has discussed impact fees and the county sees the benefit although they have not seen an effective plan to make them functional. He also stated he wants to promote development in the city, although he doesn't know the solution. He reiterated he has concerns.

Rick Skidmore, E. Comish Drive, appeared. Mr. Skidmore stated everyone has benefited in multiple ways by the developers. He also stated development in downtown Idaho Falls has grown, he enjoys the growth although he expressed his concern that the impact study would stifle some of the remodeling in downtown. He indicated he would hate to see the growth and the restoration of downtown be hindered by the impact fees.

Brian Crandall, Shelley Avenue, appeared. Mr. Crandall commended Idaho Falls as one (1) of the few areas in the country that is fiscally responsible and not in major deficit. He stated he has faith that as Idaho Falls grows it will continue to do this. Mr. Crandall stated the study has more than taxes, there are utilities and sales tax and the revenue from these should also be included in the study. Mr. Crandall does not want to compare Idaho Falls to neighboring cities that have not used tax money properly. He believes the study needs to be more comprehensive, and we should be proud of Idaho Falls and we should continue to maintain that level of responsibility with our money. He indicated he's not

necessarily opposed to an impact fee although he reiterated there should be a deeper study.

Rick Mickelson, Purple Sage, appeared. Mr. Mickelson stated he agrees with a lot of what's been said but he believes we're only seeing half of the story. He indicated the study is saying how much can be charged, and the larger cities that have these fees should be named and what has that growth done. He referenced the NAHB study that the definition of an impact fee is a way to slow growth. Mr. Mickelson indicated Mayor Casper has stated more housing and less-expensive housing is needed although that will be hard to do as this does not say how it will impact. He believes the whole picture needs to be seen.

John Petty, appeared. Mr. Petty believes the housing prices are crazy, and he doesn't know what the impact will be to an existing home with the addition of this fee. He referenced a current home for sale on G Street noting there was a comment regarding how much \$1,000 affects buyers although there's been no discussion on the interest rate increase. He believes this will have more of an impact than anything else. He also believes the impact on everything should be considered as he hates to see that people can't afford to live here. Mr. Petty stated we're losing good people due to the cost of everything and increasing fees would have additional impacts in the future.

Per Councilor Hally, Director Fredericksen reappeared and identified other cities that have impact fees which include Coeur d'Alene, Caldwell, Nampa, Twin Falls, Post Falls, and Rexburg. He stated Idaho Falls is the largest city that does not have impact fees. He also stated the discussion of impact fees has occurred with other cities during budget discussions, noting development is paying for some of those infrastructure costs. Per Councilor Burtenshaw, Director Fredericksen confirmed impact fees do not affect remodels unless another home addition/residence is being added. Mayor Casper stated this study was required by State Law and the Request for Proposals (RFPs) were based on what the law required. Director Fredericksen stated the State of Idaho has different requirements for RFPs than surrounding states, therefore, the consultant had to show references of impact fees studies within the State of Idaho. He also stated TischlerBise was hired due to their experience with Idaho. He reviewed the requirements for TischlerBise noting the maximum supportable fees that could be adopted were developed in the document to support those four (4) different impact fees. Per Councilor Freeman, Director Fredericksen stated utilities are fee based, and these fees are not intermingled with building roadways.

Mayor Casper closed the public hearing.

Councilor Burtenshaw recognizes there are issues on all sides. She stated she is committed to the current residents of Idaho Falls that are being priced out of their homes. She believes there is a bigger burden placed on homeowners than commercial owners. She indicated the tax levy rate is dropping, however, taxes are increasing due to home values. She also indicated Idaho Falls has a look and a feel that is separate as Idaho Falls is connected through the public space, sidewalks, and easy access. She believes there is not the same look and feel if living outside of Idaho Falls. Councilor Burtenshaw does not believe the tax base is able to compete in the market of capital improvements, and she believes Idaho Falls is supplying amenities which is affecting the tax base. She realizes these fees would be passed to homeowners, but they would gain what is provided as a city, not regionally. She reiterated the look and feel of Idaho Falls regardless of where you live in Idaho Falls. Councilor Hally stated property taxes are not the largest revenue stream received. He also stated the city always had a consistent formula within the state for revenue that plugged in a certain portion of sales tax that is

generated. He indicated per the legislature, online sales don't count in the formula anymore, which cut the revenue which is very significant, although the state is unaware of who is paying and where. Councilor Hally stated, per housing, Boise is mentioned as the hottest area for selling homes in the western states per capita. He also stated interest rates are unpredictable although we should realize those individuals who have mortgages have reduced their mortgages due to re-financing. He indicated most of the sales tax revenue in Idaho comes from cities that have impact fees. Councilor Francis stated the four (4) separate categories would require the fiduciary, only a portion of the impact fees could pay for the LEC, and it is proportional. He believes the study did what the city asked it to do. Brief discussion followed regarding adoption of the study. Per Councilor Francis, Director Fredericksen stated the ordinance requires quarterly reports from the fee administrator along with an annual report. Mayor Casper noted the required 5-year review would allow any fee adjustments.

It was moved by Councilor Burtenshaw, seconded by Council President Ziel-Dingman, to approve the Resolution to adopt the Capital Improvement Plan and Development Impact Fee Study. The motion carried by the following vote: Aye - Councilors Francis, Dingman, Freeman, Hally, Radford, Burtenshaw. Nay - none.

RESOLUTION NO. 2022-06

A RESOLUTION OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, ADOPTING A STUDY TITLED "CAPITAL IMPROVEMENT PLAN AND DEVELOPMENT IMPACT FEE STUDY OF CITY OF IDAHO FALLS, IDAHO 2021"; AND PROVIDING THAT THIS RESOLUTION BE EFFECTIVE UPON ITS PASSAGE, APPROVAL, AND PUBLICATION ACCORDING TO LAW.

- 11)** Public Hearing for a Resolution adopting "Imagine IF: A Plan to Move Idaho Falls Forward Together" as the City's Comprehensive Plan.

Attached is a resolution adopting "Imagine IF: A Plan to Move Idaho Falls Forward Together" as the City's Comprehensive Plan. The final draft of the document can be accessed at www.imagineif.city. Imagine IF reflects the results of a tremendous amount of public comment and engagement, background research, interviews, surveys, and recommendations from the project advisory committee. It will replace the current Comprehensive Plan which was adopted in December 2013. The Planning and Zoning Commission considered the plan at its October 19, 2021, meeting and recommended approval by a 5-1 vote. The plan was reconsidered on January 4, 2022, after a section was added regarding impact fees. At that meeting, the Planning and Zoning Commission unanimously voted to recommend approval of the Comprehensive Plan Amendment as presented. Staff concurs with this recommendation.

Mayor Casper opened the public hearing and ordered all items presented be entered into the record. She requested staff presentation.

Director Cramer believes this is a big moment for the city and the CDS Department. He commended the CDS staff, stating this plan was written by staff with community input and the plan tried to reflect the community's wants, desires, and needs with best practices. Councilor Radford requested the reason for the plan, including what was found in terms of a use, accessory dwelling units (ADU), and the type of housing stock as well as the approach that was taken and the statistical validity. Director Cramer stated it was just time as the current plan was adopted in 2013, the development world has changed, the way the city is growing has changed, the tools to deal with growth have changed, and a plan was needed that reflected a different approach. He also stated there was concern for the rising prices in housing but there is also concern about the lack of opportunity and variety and the housing stock that meets a more

diverse population need. Director Cramer stated the survey addressed specific housing types. He also stated pictures were shown in all five (5) neighborhoods, noting the ADU was the most supported alternative housing type. Per Councilor Radford, Director Cramer stated the five (5) neighborhoods covered the entire city and there were meetings in each neighborhood. Also per Councilor Radford, Director Cramer stated the discussion of impact fees were more indirect. He also stated the desire is for the city to continue to provide the amenities that individuals have enjoyed for many years, although, there was concern for the kind of growth that is being experienced and for the infrastructure projects that haven't been seen before, including parks. He indicated in each of the neighborhoods there was a desire for more greenspace, and impact fees are one (1) way to pay for that. He noted impact fees are not the only way to pay for greenspace but they are a common tool in growing cities.

Mayor Casper requested any public comment.

Joe Groberg, former councilmember, appeared. Mr. Groberg, referencing the impact fees, believes the rest of the plan is great. He stated impact fees were addressed many years ago with the previous council and the decision was that impact fees were not a good way to budget. He provided a history of the original 13 colonies and the revolutionary war that allowed opportunities for additional states to come in, and the decision was to just allow each state to come in as they would have a role to play. He believes this was a wise decision to build a country and to build a city although he realizes the city dynamics are different. Mr. Groberg does not believe this is a wise way to budget and there will be guaranteed areas of no growth. He stated he has visited many cities where nothing was happening because the cities had no money because there was no growth. He also believes the city needs to be very conservative.

Randy Skidmore, E. Comish Drive, appeared. Mr. Skidmore stated no one here paid an impact fee to start with and we've been able to manage city services. He referenced the study regarding the want for more greenspace and more services. He believes if a city resident wants more greenspace and more services then they should pay for it, it's not the responsibility of one (1) individual to pay for it. He also believes this is a bad way for the city to go, it can be managed through taxes. He realizes there is more impact but there is also an increase in revenue. Mr. Skidmore expressed his appreciation to the councilmembers for their service.

Erin Cannon, Idaho Falls, appeared. Ms. Cannon stated she was part of this Comprehensive Plan and worked with Councilors Francis and Radford, and Director Cramer. She commended them on this project, stating the city should be proud of this plan and the way they communicated with the community.

Mayor Casper closed the public hearing. She noted this plan has been tracked by the council, including many discussions, for some time.

Councilor Freeman explained the impact fees have been included in the Comprehensive Plan, therefore, the adoption of the Comprehensive Plan had to occur following the adoption of the Impact Fee Study. Councilor Radford believes this plan is an incredible free-market resource to see what type of housing the population is interested in. He stated he is impressed with the expectations, milestones, and the dates and times to work on the plan. He expressed his appreciation for this plan being accomplished in-house, and there is great content and great output. He emphasized he is proud of this effort and he will refer to the plan often as this is a comprehensive plan how the city should move forward which

includes every department. He hopes people will take advantage of the amazing work. Councilor Burtenshaw expressed her appreciation to Director Cramer and his staff for a new approach and a model for plans moving forward for the region. She also expressed her appreciation for all the effort that went into this plan, stating this can drive the strategic plan and more. She recognized all the work that went into this plan. Council President Dingman stated this plan comes down to the vision of the community. She expressed her gratitude to Director Cramer and his staff. She believes this will address growth in a very thoughtful way and will keep Idaho Falls special. Mayor Casper stated the department became very proficient in reaching out to the public and having conversations in a non-traditional way, even during a pandemic. Councilor Francis believes this Comprehensive Plan is more than just a map. He realizes this is a combination of best practices, expertise of the department staff, and the voice of the people. He noted there are ideas of action plans which has laid the groundwork for prioritization to make it real and dynamic for the next ten (10) years.

It was moved by Councilor Francis, seconded by Councilor Burtenshaw, to approve the Resolution adopting "Imagine IF: A Plan to Move Idaho Falls Forward Together" as the City's Comprehensive Plan and give authorization for the Mayor and City Clerk to execute the necessary documents. The motion carried by the following vote: Aye - Councilors Freeman, Francis, Hally, Radford, Burtenshaw, Dingman. Nay - none.

RESOLUTION NO. 2022-07

A RESOLUTION OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, ADOPTING A COMPREHENSIVE PLAN; AND PROVIDING THAT THIS RESOLUTION BE EFFECTIVE UPON ITS PASSAGE, APPROVAL, AND PUBLICATION ACCORDING TO LAW.

12) Public Hearing and Ordinance to Adopt, Collect and Administer City Development Impact Fees

Idaho Code Title 67, Chapter 82 authorizes cities and counties to impose development impact fees to cover the costs of necessary infrastructure and facility improvements in compliance with the requirements of the Act.

In order to implement an equitable impact fee system for the public facilities identified and to include 1.) parks, 2.) police, 3.) fire/EMS and 4.) transportation, the City retained TischlerBise, Inc. to prepare an impact fee study titled "Capital Improvement Plan and Development Impact Fee Study of City of Idaho Falls, Idaho 2021", dated December 15, 2021. The study developed maximum supportable development impact fees that could be imposed on new development to meet the new demands generated for public facilities within the City.

The City's Legal Department has developed the proposed Ordinance in compliance with the provisions required by State Statute. Staff recommends approval of the Ordinance and an effective date for implementation of May 1, 2022.

Mayor Casper opened the public hearing and ordered all items presented be entered into the record. She requested staff presentation.

Director Fredericksen appeared. He stated this ordinance was prepared by the City Attorney's Office and reviewed by staff members with comments incorporated. He believes this ordinance was modeled from the City of Meridian. He reviewed the key components in the ordinance, including an effective date, it exempts permits prior to the effective date, impact fees could be collected in the Area of Impact (AOI) that may be outside of city limits, impact fees must be paid in advance of issuance of a

building permit, provides individual assessments, includes a provision for appeals, requires the establishment of separate funds for the four (4) types of proposed impact fees, specifies that funds must be expended within eight (8) years with certain exemptions to 11 years, requires quarterly and annual reports, establishes means for refunds, details how credits will be established (for land donations) or reimbursements, details for appeals, and requires review of plan ordinance at least once every five (5) years. Per Councilor Burtenshaw, Director Fredericksen clarified the credits for arterial roads to the developer as there cannot be dual payments of fees.

Mayor Casper requested public comment.

Rick Skidmore, E. Comish Drive, appeared. Mr. Skidmore questioned if credits would be given for arterial roads that have been improved for the previous 60 years because the developers have paid a significant amount for development of arterial roads. He believes this could make a big impact on leading his company in the future.

Carl Robison, Summerfield Drive, appeared. Mr. Robinson believes the impact fee is a regressive tax as a flat amount based upon a building permit, where the cost of a building permit is based upon the square footage of a house. He is hopeful there is some consideration given to make the impact fee more progressive.

Preston Walker, 25th Street, appeared. Mr. Walker stated he performs cash flow projections and proformas for future developments, and it appears impact fees will be passed on to the home buyer, which he does not believe is necessarily the case. He believes there is a limit to what people will pay, depending on the competitive environment as well as their incomes. He stated we can't assume the high costs of homes will be boosted per the impact fee and people will just pay it. He does not believe that's all there is to consider. Mr. Walker believes, due to fixed incomes, which a portion goes to housing, there will be less money to spend in the community which affects the whole economics which in turn affects other revenue streams for the city to fund projects. He stated if the developer does absorb some of the cost, that shrinks the already thin margins. He doesn't believe we should dis-incentivize the developers and builders that make way for growth. He wants that to be considered. Mr. Walker stated, referencing the study as required, there may not be a legal reason to do a more comprehensive study as impact fees are voted in, however, he believes there should be a moral or ethical reason as the council represents all. He also believes if there are concerns for validity of the study, why not delay voting in the impact fees until the concerns have been satisfied or compromised. He questioned why the council is so anxious to approve all these the same evening as these will greatly affect the developers. He believes the minimum impact fee should be figured out in order to fund the four (4) categories. He understands the city needs more money, although the needs tend to increase as money increases. He believes the city has been thrifty, and he believes everyone wants to see that continue. He reiterated a comprehensive study should be performed to determine what the minimum impact fees could be.

Roy Ellis, Rigby, appeared. Mr. Ellis stated he's been a builder for 45 years and he takes pride in his work so their customers can enjoy their homes. He indicated it's been said that the impact fee will go directly to the buyer, and it's been said that property taxes are going through the roof. He also stated no one likes taxes although he understands what they're for. Mr. Ellis believes when individuals buy a home they believe that home will build in value, and when they're done with it, it will have equity and they can retire. He indicated individuals have sold their houses but they can't be replaced because the

market is unstable due to lumber, commodities, and metals. He is hoping the market will come down but that is unknown. Mr. Ellis stated builders and developers are in an awkward position as they see impact fees as another tax, although they must be careful not to discriminate the new buyers that they're the only ones to pay this tax. Mr. Ellis stated the impact fees must be put in areas where collected, not for the entire city or they can be seen as discrimination. He also believes it would be better if the payment is at the Certificate of Occupancy (CO). Mr. Ellis requested more time to reconsider and to get more information as he doesn't know when this will end. He described the cost to build a house, including the taxes, and he's wondering where the taxes are going.

Josh Cummings, appeared. Mr. Cummings believes because most individuals opposed this, it's not going well. He questioned who really pays for these impact fees, whether it's the buyer or the builder. He indicated everyone wants to sell their house for as much as they can get. He also indicated there's a top of the market, and when this is added only to new construction the builder will pay for that. He believes the few that have built this city are being punished and the city has a lot to gain from that process. Mr. Cummings stated he has dreamed of building a kayak, and moving forward with this ordinance is like building a kayak without taking it out before it's completed. He stated Councilor Radford expressed concerns that the study is flawed, which is similar to an uncompleted kayak. He questioned how long it will take before we see the negative effects of passing this ordinance the same night that the study was discussed. Mr. Cummings believes the concerns haven't been spoken to. He believes more individuals would have to carry more of the weight of this ordinance without an increase of benefits. He doesn't believe new homeowners will have more access to 911, EMS, or roads than an existing homeowner. He questioned the fairness of the disproportionate tax when everyone receives the equal amount of service.

Todd Webb, appeared. Mr. Webb stated he reappeared per Councilor Freeman's request. He also stated Mr. Nottestad has been on the Impact Fee Advisory Committee although Mr. Webb indicated that Mr. Nottestad has been disheartened as he believes this is a rubber stamp. Mr. Webb stated Mr. Nottestad has tried to get information back to the builders, although Mr. Webb indicated he found out the committee started 21 months ago. He believes the council had already decided to pass the Comprehensive Plan that included the impact fees, which is disappointing. He stated he doesn't know how to get information, and he questioned if 1,000 people showing up would have stopped this. Mr. Webb stated he has been put on the contractor board as he wants to change licensing. He also stated he's been trying to get involved but he was told it's not how to get something changed. He believes more government is one (1) more step to a place we don't want to be and he believes we're taking the same steps as Oregon and Boise. He believes this was a rubber stamp, and he recognizes he should have been involved 21 months ago.

Cameron Hine, appeared. Mr. Hine stated he was born in Idaho Falls and raised in Eastern Idaho. He also stated a fair amount of the contractor process when meeting with homebuyers is a comparison of taxes. He suggested a comparison of impact fees to those other cities that have impact fees to see what these fees should be. Mr. Hine stated they are trying to keep the growth going as everyone benefits by the growth. He expressed his gratitude.

AJ Harris, Pancheri, appeared. Mr. Harris believes this is a foregone conclusion. He pleaded that when the impact fees are implemented, the size of the home should be proportionate. He believes a 5% fee for commercial is ridiculous, where there is no fee in Ammon, and the \$6,000 for residential could be a huge impact for middle housing. Mr. Harris stated none of the places paying for impact fees would

benefit to any improvements of infrastructure or to parks because they're not in that region. He believes impact fees should be proportionately placed on existing home sales then the burden could be shared across all residents for the entire city, so it's not disproportionately providing a service to something that won't be used by someone on the outskirts of the city or in an infill lot.

Erin Cannon, Idaho Falls, appeared. Ms. Cannon restated an earlier comment that for every \$1,000 that gets added to the price of a home, that will price 158 households out of the market, and every \$1 in fees it gets translated to \$1.20 to the price of a home. She believes affordability needs to be heavily considered, however, this will affect existing home prices because they are a substitute to new construction. She indicated there is one (1) month of inventory and these decisions affect homeowners. She believes, due the current market situation, the builders cannot afford to pass this fee along, although that may not always be the case. Ms. Cannon stated, referencing that Idaho Falls is the only city of this size not to have impact fees, that this should be worn as a badge of honor. She believes the city has been creative, has been fiscally responsible and that can continue, and the city should not jump on the bandwagon. Ms. Cannon believes the Comprehensive Plan can be used a template for impact fees and not just be reactionary to the current situation.

Rick Mickelson, Purple Sage, appeared. Mr. Mickelson stated he currently resides in Ammon but will be moving to Rigby. He reviewed the cost of his permit which is half of the city permits, not including the impact fee. He also stated, as a builder, he currently has a lot of lots in Idaho Falls and he's working with a developer to find land outside of Idaho Falls. He believes the more the fees get raised, the builders won't build there anymore. He stated the builders are looking to build in areas that are affordable. Mr. Mickelson stated he is all for police and EMS but he believes all homeowners in other counties and cities will be coming to the zoo and the grocery store that will have an effect and will impact the roads that are not being paid for. He also stated the impact of using roads to come into the city will not change. He noted he has multiple permits with Idaho Falls, but all other permit fees outside of the city will go elsewhere. He indicated builders have left the meeting because they realized their voice won't be heard. Mr. Mickelson stated he likes Idaho Falls and what it has to offer but he questioned if builders going elsewhere due to the fees will hinder growth.

Troy Ellis, Rexburg resident, appeared. Mr. Ellis believes affordability is not here anymore so individuals are moving to other states where they can afford a house.

Mayor Casper closed the public hearing.

Councilor Radford stated, as budget-wise, the city is at an extreme risk, and the city is not prepared for the next several months as the city is faced with 7% inflation, 20% labor cost increase, and all kinds of problems in terms of money with no way to raise revenue. He also stated the state has taken away a percentage of growth, therefore there are real cost pressures, noting builders can pass along some of the cost, however, the city cannot pass along any costs. He emphasized the city cannot even hire police officers. He reiterated the cost of running a city is out of our hands and the city is not able to provide services with property tax dollars. Councilor Radford stated he has sat through 600 hours of budget meetings and there is not enough revenue to meet the needs of the city. He believes impact fees are one (1) access point, but he also believes something didn't work to have the partnership of homebuilders to not be interested in passing this ordinance. He believes the city must figure out how to make this partnership work as the trust of government matters. Councilor Radford stated the elected officials worry about trust immensely as the trust in government has diminished. He recommended the

council not vote on the ordinance at this meeting as he believes there is a disconnect. He also believes impact fees are probably coming but he believes this could be done as a partner. Council President Dingman stated discussions regarding the idea of impact fees have been occurring for six (6) years. She also stated it takes time, data, and resources to complete a process. She believes growth should pay for growth, and growth is costing the city. She referenced House Bill 389, which limits the city on receiving a percentage of growth and new construction, noting new construction is being subsidized. Council President Dingman emphasized impact fees can only be used for capital improvements, not operating or maintenance costs as this is what property taxes are for. She stated impact fees are subject to three (3) legal standards. She believes the comments received can recognize that when large development comes into play, individuals are wondering what development is actually paying for as growth is not paying for itself. She also believes the consequence of impact fees doesn't take other things into account the nuance of home ownership such as power, noting the low cost of Idaho Falls Power. Councilor Freeman asked those present to exchange seats with the elected officials. He stated the city has not been keeping up with the needs of the city for some time, and this tool is needed to keep the city running in order to avoid cutting additional services because of growth. Councilor Francis believes the Impact Fee Advisory Committee needs adjusted. He indicated the level of fees will come at a different time, noting the ordinance does not set the fees. Councilor Radford stated Idaho Falls has been friendly to developers, although he believes that trust could be lost. He believes the developers are the experts, he has heard great concerns that he doesn't disagree with, and these impact fees may disappear. He also believes slowing growth sounds nice but not slowing the growth to nothing. He indicated the city has no concept of what the next few years will look like, and there is no predictability. Councilor Radford believes this could go back to the departments, find the right amount of fees, and still have trust with the building community. He also believes the city needs to find a way forward with the developers. Councilor Francis questioned passing the ordinance on the first reading with additional discussion to occur with the committee. Councilor Burtenshaw believes impact fees are coming, however, the growth is not materializing in the budget. She questioned why the growth did not come from the county and where that money is. She stated Idaho Falls cannot continue to bear the brunt. She also believes there is work to do with the amount of fees. Councilor Hally stated depreciation is a cost which was not covered, and the city is in a bind. He believes the growth has gone to inflation. Council President Dingman questioned additional conversation regarding the passage of the ordinance as the fees have not been established. Councilor Radford believes the ordinance should be written with the builders as they are a key partner. Mr. Fife explained how the ordinance was drafted which was designed to fit with the TischlerBise study. He stated the ordinance could be changed per council. Mayor Casper noted only one (1) of the five (5) committee members are present. She also announced a property tax discussion will be occurring on February 25, she recommended all individuals attend as she believes there is a lot of misconception regarding property taxes. She explained property taxes, sales taxes, grants and donations, growth, and fees. Per Councilor Francis, Mr. Fife confirmed this is a legislative issue and could be discussed with any individual if the ordinance is passed on the first reading only. Mr. Fife explained the options for passing the ordinance on the first reading and/or subsequent readings. Per Councilor Freeman, Mr. Fife indicated another public hearing would typically not be needed for future ordinance discussion, however, that would depend on any material changes. It was moved by Council President Ziel-Dingman, seconded by Councilor Hally, to approve the ordinance to Adopt, Collect and Administer City Development Impact Fees under a suspension of the rules requiring three complete and separate readings and request that it be read by title and published by summary. Councilor Francis clarified he is not voting against the concept, he prefers a first reading only. The motion carried by the following vote: Aye - Councilors Dingman, Burtenshaw, Hally, Freeman. Nay - Councilors Radford, Francis.

At the request of Mayor Casper, the City Clerk read the ordinance by title only:

ORDINANCE NO. 3446

AN ORDINANCE OF THE CITY OF IDAHO FALLS, IDAHO, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO; ADOPTING TITLE 10, CHAPTER 8 TO ESTABLISH A COMPREHENSIVE STRUCTURE TO ADOPT, COLLECT, AND ADMINISTER CITY DEVELOPMENT IMPACT FEES; PROVIDING SEVERABILITY, CODIFICATION, PUBLICATION BY SUMMARY, AND ESTABLISHING EFFECTIVE DATE.

Mayor Casper believes there is a sincere desire to engage on the next steps. She also believes this should occur in a timely manner that would allow work on the current deficit. She requested all thoughts and issues be submitted to herself and Director Fredericksen.

7. Adjournment.

There being no further business, the meeting adjourned at 1:29 a.m.

s/ Kathy Hampton
Kathy Hampton, City Clerk

s/ Rebecca L. Noah Casper
Rebecca L. Noah Casper, Mayor