



Memo

To: Mayor Davis and Members of the City Council
From: Donna Phillips, GISP, Community Development Director
Date: June 5, 2025
Agenda Item: Area of Impact Written Decision & Resolution

Agenda Item Location

Unfinished Business

Recommended Action or Motion

Staff recommends approval by City Council for both the Written Decision and the Resolution.

Background

On May 27, 2025, the City Council heard the request to amend the Area of Impact at a public hearing. At the conclusion of the hearing, and by a review of the record and deliberations, the City Council approved the amendments as proposed. Attached are the Written Decision of this hearing and the resolution to memorialize the approval and to provide for the next steps with processes as required by Kootenai County.

Functional Impact of Authorizing

NA

Functional Impact of Not Authorizing

NA

Fiscal Impact

NA

Budget Funding Source / Transfer Request

NA

Attachment

Written Decision
Resolution

WRITTEN DECISION

Amendment to the Area of Impact

In accordance with [Idaho State Code Section 67-6526](#), cities across Idaho are reviewing and updating their City's Area of Impact (AI) formerly referred to as the Area of City Impact (ACI). The proposed modification seeks to align the AI boundary with the guidelines set forth in the new state law, which limit such areas to regions that are highly likely to be annexed within five (5) years and generally within two (2) miles of existing city limits which the City Council **APPROVED** the amendments as proposed.

City Council Motions on May 27, 2025: At the conclusion of the hearing, the City Council deliberated the proposal and Councilmember DePriest moved and Councilmember Roetter seconded the motion, to approve the amendments to the Area of Impact, finding the request **IS** in accord with the limits provided by Idaho State Code Section 67-6526.

FINDINGS:

Idaho State Code Section 67-6526 mandates that an area of impact:

1. Shall not exceed areas very likely to be annexed within the next five (5) years.
2. Shall not extend more than two (2) miles from existing city limits, except under special conditions.

Proposed Area of Impact:

The revised AI boundary, as illustrated in Map B, proposes the following changes to the areas within the Exclusive Tier and the Shared Tier:

- 1) Within the Exclusive Tier, a reduction in area east of Loch Haven PUD, south of Hayden Lake, and North of Dalton Gardens Area of City Impact by 0.56 square miles as this area is fully served by other service providers for water, sewer, and transportation;
- 2) Within the Shared Tier (as shown within the 2040 Comprehensive Plan), a reduction in area
 - a. North of West Wyoming Avenue and West of North Huetter Road of 0.40 square miles as this area is anticipated to be served by the City of Rathdrum; and
 - b. North of West Prairie Avenue and West of North Huetter Road of 0.075 square miles as this area was annexed into the City of Hayden;
- 3) Within the Shared Tier (as shown within the 2040 Comprehensive Plan), as the Shared Tier will no longer exist, 1.93 square miles is proposed to be added to Hayden's Area of Impact.

Therefore, the total Area of City Impact (Excusive and Shared Tiers of the 2040 Comprehensive Plan) provided for an area of 8.64 square miles, and the proposed Area of Impact provides for 7.60 square miles or a decrease of 1.04 square miles. No areas

included in the proposed AI are not already in our existing Area of City Impact, including the Exclusive and Shared Tiers.

Staff: See Executive Summary related to the process of determining new boundaries.

CC Hearing:

Lisa Ailport, City Administrator, gave a presentation summarizing the executive summary. She provided what exists today with the City's two-tier framework of the Exclusive Tier and Shared Tier. Under the changes to the Idaho State Statute the Shared Tier is not allowed. She went on to discuss specific areas where there were proposed changes.

She identified that it the new law really requires cities to look at what may be annexed within the next five years, so it focuses on that growth area. Holding that to that when we make the presentation to the BOCC.

In the southeast corner of the Area of City Impact she acknowledged the area that was within the City of Dalton Gardens today, the area in the County that included a County Park and already built environment of homes on smaller lots with services in the Hayden View Estates area. There isn't a reason to request an annexation. Additionally, each lot would need to contiguous to the City of Hayden which limits that to only a couple of lots that would be required before the remainder could request.

Ms. Ailport then reviewed the area in the Shared Tier today that could be included. She identified the area north of Wyoming Avenue and how Rathdrum's city limits come as far south as Wyoming today.

And then to continue to square up the boundaries and reflect the area which the city has recently annexed, to continue this area from Meyer to the west, Wyoming to the north, and extending to Prairie Avenue to the South.

Ms. Ailport identified that when the city met with the neighboring jurisdictions that they looked at a variety of topics to include school districts, existing boundaries, airports, existing long-range plans, transportation corridors, water providers, and proximity to existing utilities.

Councilmember White clarified who met and that it was the City Attorneys, the City Administrators, and the Planners. Ms. Ailport confirmed that they were who met and why does it make sense to have this area within each of the Cities. Ms. Jovick reiterated that it was also important to recognize areas where there was no overlap area. Councilmember White asked about the airport and could they annex in the future. Ms. Ailport identified the city wouldn't do a forced annexation, but should the Airport wish to annex the city would work with them. Ms. Jovick identified the city completely surrounds the airport; it doesn't make any sense for it to be in anybody else's impact. Councilmember White confirmed that it doesn't affect them unless they should choose to annex. Ms. Jovick confirmed that assumption.

Councilmember DePriest asked if there was any shared tier left. Ms. Ailport identified that she hasn't seen the result from the other city's adjacent to the shared tier.

Councilmember Shafer watched the Planning and Zoning Commission meeting which was very beneficial. He went on to identify that the new law really makes it difficult for forced annexation, but that there was one exception. Ms. Jovick said that this is an area of impact amendment request, not an annexation. The annexation statute made it more difficult for a city to do a forced annexation; and has made annexation 95% at the request of the landowner. The area of impact statute uses language that the city is likely to annex (at the request of the landowner) in the next future. The statute requires the cities to re-evaluate the area of impact and have that negotiated with the Counties for this area by December 31, 2025. This new statute also eliminated the shared tier which was shared amongst a several entities. It also removed the requirement in the exclusive tier for developers to build to the city's standards, if they aren't annexed into the city.

Councilmember Shafer identified that in areas where there are enclaves of 30 or fewer lots could they be required to annex. Ms. Jovick identified that maybe if all parameters were met, they City could initiate an annexation. She went on to identify that if Ms. Phillips were present, in her 27 years at Hayden there have not been any forced annexations; and she has been here almost 2 ½ decades and have never represented a city who has done a forced annexation.

Councilmember Roetter noted that the County has the final say. He asked if we have some indication from the County on what they want. Ms. Jovick identified the representation being made; they are likely to be looking to the Cities to work with the Counties on the preferred path. Ms. Ailport believes that these requests will be going to the County for a single path forward for amendments.

Public Comments:

No one supports the proposal.

Neutral – Art Collins – A resident. Mr. Collins identified what was available in the Executive Summary and he had questions. He is assuming that there are only two changes. Why was that (the southeast section) removed? Suggests how to provide for a separate map to include the FLUM, with the City Limits, and the ACI.

Neutral - Robert Balsler – Not a resident. Lived here since the spring of 1942. Don't understand what is going on, and your staff did not respond. Why? Somewhere it says that you will use the open spaces of the city before the city annexes the land surrounding it. Mayor Davis answered this question, that this is not an annexation request but to look at areas the city could annex. An individual piece of property of ten acres or more does not have to be annexed into the City. Came to the meeting to hear some things, learn some things, and ask some questions; but can't get some answers.

Ms. Jovick identified that nothing proposed here will affect personal property rights and it is not being proposed to be annexed. The city is required to identify the area which could request to

be annexed. There is no potential for annexation as part of this request. This property is currently in the area of impact and proposed to remain in the area of impact. She also identified the buffer around the city, and it isn't being swooped up. Mr. Balsler asked how close the other cities are, do they touch the area shown here. Ms. Jovick said that yes, they do.

Deliberations:

Councilmember DePriest reiterated that there seems to be a spreading that this is a land grab or a way to force annexation. This is not a way to facilitate force annexation, and this is a requirement of the City by Idaho Statute, and that we do create a buffer around the city and the other Cities are gobbling up the prairie. Council has some control if and when the landowners who live in the yellow areas want to come into the city, but here is the land use that the city will allow the landowner to become. Ms. Jovick noted the area of impact will be identified through the comprehensive plan update when those landowners want to come into the city. Ms. DePriest identified the Hayden View residents are fully developed with all the services provided by other agencies. Why would the city want to plow their roads, and why would they want to annex into the city. He supports the proposed amendments.

Councilmember White identified that this is a confusing matter, and she will give her time to answering Art's questions. Ms. Jovick identified that they wouldn't be on the zoning map, but they would be on the future land use map at the end of June. The area west of Huetter was identified in the shared tier already and the Rathdrum City boundaries and Area of Impact north of Wyoming. Ms. Ailport identified that it really is where is your investment of infrastructure going to be placed in the future. The blue line is the City of Hayden, and the blue and black line is the area of impact boundaries. Ms. Ailport identified the landowner must agree to annex by consent. This isn't an annexation request, but it is a planning tool as to where the city may annex in the future. Councilmember White asked about enclaves in the City of less than 30 properties. Ms. Ailport identified some small areas in the city where this may apply. Councilmember White identified Emerald Estates, and Ms. Ailport that most likely a request to connect to City sewer would be the precipice for conversations with them regarding annexation.

Council President Roetter complimented the staff on working through all this information. He identified that he is not a proponent to annex more land into the city. However, the city must follow state law which then becomes the number 1 priority. Annexation and development can affect requirements for transportation and sewer requirements of the city. He supports this as it addresses state law requirements.

Councilmember Shafer did his research on this regarding the changes to state statutes and it puts more control in the hands of the residences who live in the county bordering the city and should give them more peace of mind. He was pleased to see what the changes in legislation did.

FINDINGS, CONCLUSIONS AND DECISION OF APPROVAL on the 10th day of June 2025, by the City of Hayden.

CITY OF HAYDEN, IDAHO

By: _____

Alan Davis, Mayor

ATTEST:

Abbi Sanchez, Clerk

RESOLUTION # _____

A RESOLUTION OF THE CITY OF HADYEN, A MUNICIPAL CORPORATION OF THE STATE OF IDAHO, PROVIDING FOR A RECOMMENDATION OF AREA OF IMPACT TO BE SENT TO THE KOOTENAI COUNTY BOARD OF COUNTY COMMISSIONERS FOR ACCEPTANCE AND APPROVAL.

WHEREAS, the City of Hayden, Idaho adopted a new Area of City Impact on the 12th day of October 2004, by way of Ordinance # 375, City of Hayden, Idaho; and

WHEREAS, Title 67, Chapter 65 of the Idaho Code provided for amendments to the said Area of Impact pursuant to the requirements therein set forth; and

WHEREAS, Idaho Statute §67-6526. Areas of Impact. (6) Cities and counties shall review their existing areas of impact and shall reestablish the areas in conformance with the provisions of this section [(1-5)] by December 31, 2025; and

WHEREAS, the Cities of Rathdrum, Hayden, and Post Falls had entered into an agreement on October 12, 2004 which included a two-tier Area of City Impact to include both an exclusive tier for each City, but also included a shared tier where the Cities cooperatively provided direction for development; and

WHEREAS, the amendment to Idaho Statutes no longer allows for this overlapping or sharing of the Area of Impact; and

WHEREAS, the City recognizes the need to protect the common water resource and to integrate means of transportation and provision of other public services in developing areas; and

WHEREAS, a public hearing was held regarding the amendment to the Area of Impact (AI) formerly known as the Area of City Impact (ACI) in conformance with, and pursuant to, the provisions of Title 67, Chapter 65, Sections 67-6509 of the Idaho Code whereby the Public were given the opportunity to voice their opinions, comments and objections to the proposed amendment; and

WHEREAS, a public hearing was held regarding the amendment on May 5, 2025 with the Planning and Zoning Commission, and a public hearing on said amendment was held on May 27, 2025 with the City Council, wherein and whereby the amendments were heard pursuant to said statutory provisions and during which the City Council of the City of Hayden approved the amendment as proposed.

NOW THEREFORE, BE IT RESOLVED, by the Mayor and the City Council of the City of Hayden, Idaho as follows:

Section 1: Area to amend. Should Kootenai County agree with the proposed amendment a formal legal description for the boundary shall be included in the Ordinance adopting the Area of Impact. In general, the Area of Impact of the City of Hayden shall be bounded by Boekel Road on the north, Strahorn Road to the East from Boekel Road south to Dakota Avenue, west to eastern boundary of the city limits, south to Hayden Avenue, east to the eastern boundary of Pine Hayden subdivision, south to the city limits on Strahorn Road, east along the City limits to Hayden Lake following the lake to the south to the south side of Lower Hayden Lake Road, west to the City limits east of Loch Haven subdivision, south along the city limits to the centerline of Prairie Avenue, following the city limits west to east side of Government Way, south to the north side of Aqua Avenue, west to the east side of Highway 95, north to the centerline of Prairie Avenue, west to Meyer Road, north to the south side of Wyoming Avenue, east to the west side of Huetter Road, north to Boekel Road. The area includes all of the property within this boundary that is not already within the city limits of the City of Hayden as shown in the map in Exhibit A.

Section 2: Effective Date. The resolution establishing the approved boundaries to be sent to the Board of County Commissioners is effective upon acceptance by the City Council.

Section 3: Implementation. Full amendment of the Area of Impact agreement shall occur upon passage of an ordinance with Kootenai County. The action taken with this resolution only recommends to the Board of County Commissioners an approved boundary by the City of Hayden Council.

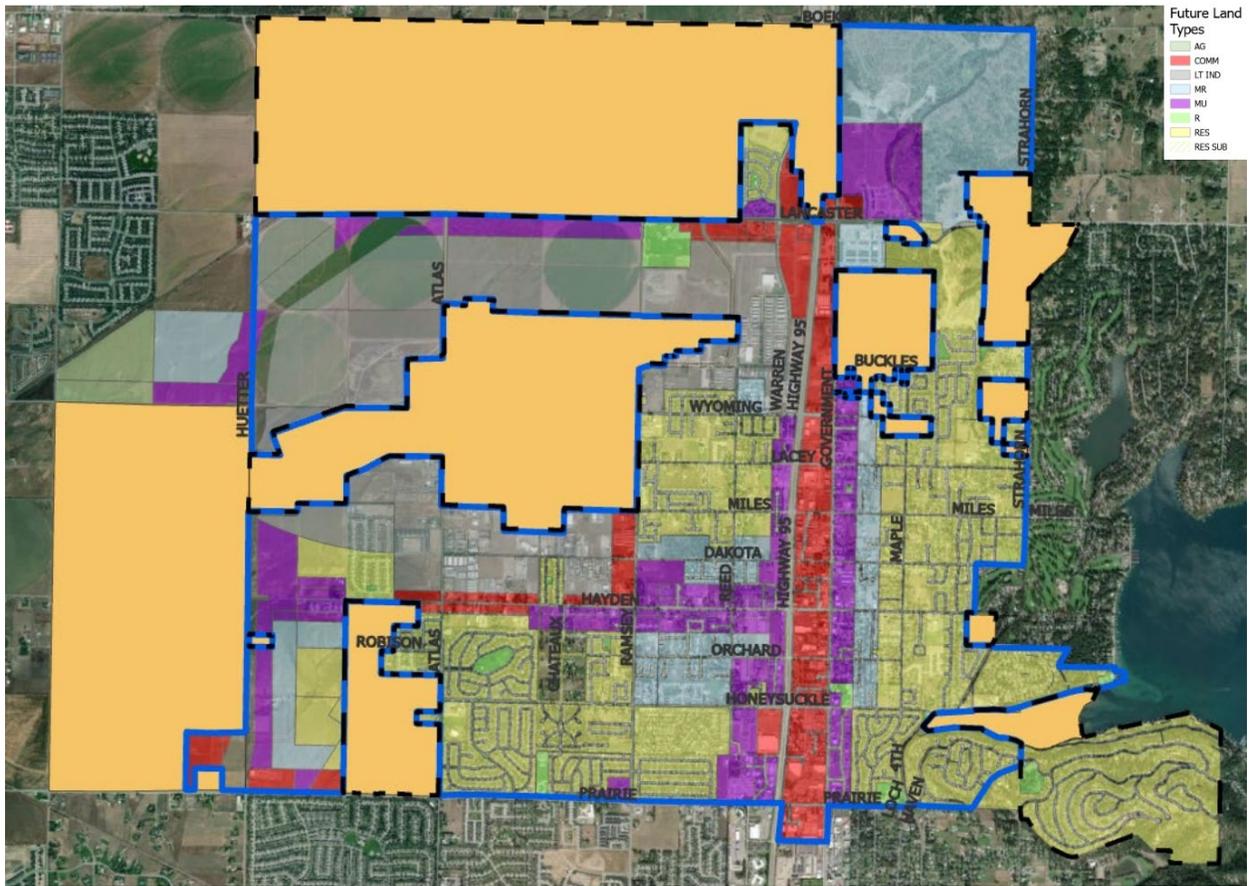
PASSED and APPROVED by the City Council on the _____ day of June, 2025.

Alan Davis, Mayor

ATTEST:

Abbi Sanchez, City Clerk

Exhibit A



The areas in orange are the recommended areas of impact.