

**A Regular Meeting of the City Council of the City of Lava Hot Springs, Idaho will be held on February 12th, 2026, at 6:00 pm, Lava City Hall 115 West Elm Street, Lava Hot Springs, Idaho.**

**Attendance:** Mark Oyler, Diane Beckstead, Jeanie Avery, John Head, Vicky Lyon, Lyle Fuller- City Attorney, Rodney Burch- City Planner, Jeff Mansfield- Keller Associates City Engineer, Rowdy Larkins - City Building Inspector, Amantha Sierra- City Clerk, Mandy Frandsen

**Guests:** Robert Peterson, Kathy Oyler, Walter & Karen Holladay, Kevin Koester, Mark Ceci, Kim Harris, Kim Jessee, Tom McBride, Leah Navarro, Kyle Jessee, John & Margaret Storch, Wendy Prather, Ryan Speas, Steve Hooper, Rob Heuseveldt, Leena Tolman, George Shail, Randy Benglan, Lora Gunter, Nancy Petrun, Susan Thomas, Carol Cove.

### **Regular City council meeting 6:00 p.m.**

#### **1 Agenda**

##### **A. Silence Cell Phones**

- 1. Call meeting to order – Mayor Lyon calls the meeting to order at 6pm.**
- 2. Roll Call - John Head- here, Diane Beckstead- here, Jeanie Avery- here,**

Mark Oyler- here.

##### **3. Pledge of Allegiance**

#### **2 Review of Meeting Procedures & Public Comment Rules**

- 1. 2-minute limit per speaker**
- 2. Written comments deadline noted**

##### **3 Public Hearing – CKJ Jesse Development**

Councilperson Mark Oyler made a motion to open the public hearing.

Councilperson Diane Beckstead seconded the motion. All in favor John Head- aye, Diane Beckstead- aye, Jeanie Avery-aye, Mark Oyler-aye

#### **Hearing-Annexation/Annexation Agreement/Zoning Annexation Ordinance**

- 1. Description of item by Chair- Rodney Burch City Planner- this is it consists really of three items relative to any annexation. If there's the annexation**

function itself, do we agree to annex the property union to the city of lava, hot springs? Part two of that is development agreement that sets the criteria, both from the city's perspective and the developer's perspective specific to that property. And part three, on this one that's a little bit unique, is the contract zoning piece, which identifies the zoning regulations associated with these five acres of property. All of those documents have been through in draft form with the council before. It's worth noting that we did the city did hold a public hearing in December at the Planning and Zoning Commission, which also reviewed all of those documents, staff reports, history of the project, and they recommended approval to the council with the conditions as you're aware, that they wanted additional study to occur in the water and wastewater parts of the project. So that brings us here to the public hearing tonight for the council to consider again those three items, the annexation, the zoning development agreement and the initial zone is what we refer to it and called the declaration that it be contract zone.

(waiting on applicant's representation)

Councilperson Mark Oyler made a motion to close the public hearing.

Councilperson John Head seconded the motion. All in favor John Head- aye, Diane Beckstead- aye, Jeanie Avery-aye, Mark Oyler-aye

### **Chamber of Commerce Ryan Speas gives a report on Fire and Ice 2026.**

Councilperson Diane Beckstead made a motion to open the public hearing.

Councilperson Mark Oyler seconded the motion. All in favor John Head- aye, Diane Beckstead- aye, Jeanie Avery-aye, Mark Oyler-aye

### **2. Presentation by applicant – T.J. Budge Attorney for CKJ Jessee Development-**

Thank you, Mayor and members of the council. My name is TJ budge. I'm an attorney with Christine Olson, and I represent the applicant. CPHA of education and Kim Jesse. I've got to ask how many people were here the first go around, like a few years ago, when we were talking about all this same stuff, Mayor Lyon was here, two members of the council. Okay, I knew there were a few unfamiliar faces, so I wasn't here for Rodney's or whoever gave the staff report. Some of you are very familiar with this. Others may, may be up to speed. Or would a little history be helpful?

Councilperson Mark Oyler- I feel I'm up to speed.

I have time for that, I can take a few minutes to go through that. Sure, you should have that in your packet. It's called the zoning development agreement. And, you know, he's got a big agenda tonight, so I'm not going to, oh, don't line by line. So, the first part of the agreement, on page one, there's a recital section that's just background information. It's not the actual terms of agreement, but it explains that the developer owns this property they'd like to develop and have city water and sewer service, and the city and the in the in the developer desire to enter into this agreement to accommodate that. And then you'll see paragraph one is just the effect of the date. This doesn't become effective until both parties sign it. Number two is called conditions of precedent. So, page one describes the agreements between the city and the developer, and then, as I mentioned, the recitals are just background information. If you turn to page two, the conditions precedent paragraph, this is an important one for legal reasons, and what this says, essentially, is that this agreement does not work unless certain things happen. So, if, if certain boxes aren't checked, this agreement ends, and those boxes include the city adopting an ordinance approving this so that would have to happen, adopting ordinance, amending the city's zoning ordinance to allow development of the project in accordance with this agreement and adopting an annexation ordinance. So, for this project to work, those three things have to happen. This agreement says we're going to try to make that happen. But there are some other things have to happen. You have to have hearings and stuff like that. And so, if you went through that process and decided not to annex or not to approve the agreement, then this would terminate, and everybody would be back where they started. So that's what that conditions precedent. Paragraph explains any questions about that paragraph, specifically, the next one is termination. This is related, so it'll take some time to go through this process, to go through the annexation process and approving the agreement. And what this says is, if the city doesn't get this done within the first six months, then the developer can pull the plug and not proceed with the project. It also says that if the developer doesn't start building within a year, then the city can pull the plug and can tell the developer, you know, you're not making good time on your promise to build this project and so there's an incentive for the developer to get going on the project. Paragraph five says, If this agreement falls apart for one of those reasons, you know, one side or the other can't fulfill their commitments, then we go back to the original zoning and back to square one, and everybody's in the same position they were when we started. Paragraph six is development submissions. These are the documents the developer is required to submit to the city. So, if you approve this agreement today, then CKJ has to come back with certain applications, zoning annexation applications and others to submit to you for consideration, and the city council will go through their normal processes to consider those applications for annexation and otherwise. Paragraph seven simply requires that the project will comply with all city laws. And then paragraph eight says that once the property comes in and is annexed, the city will provide city services for

Rodney Burch City Planner- one second. For clarity, those items listed in six that TJ addresses as the additional steps they're occurring concurrently, that those are those do not occur in the future. They are part of the three-part applications that we currently are fulfilling.

kind of free will to change. It sets a precedent, too, for the future that I would be a little concerned about. Yeah.

T.J. Budge- I mean, from a from a developer standpoint, it's hard to there's no crystal ball. And it may be that renting these out as a big unit is not, this doesn't work, and you could find yourself in a corner, if that's all you could do, and it's not (inaudible). So, there are some added costs to subdivide. So, I don't know that can it'll actually do that, because you're trading off the added cost upfront for the flexibility if, if you need to, to be able to, you know, kind of way than sell that. (inaudible) you guys have to decide whether that's problematic in terms of the impact on the city. I don't think it's going to have an impact either way. It's really more of what is the impact for the developer and not knowing what the future holds, I think it's prudent for Kim to have that option if plan A does work out as anticipated, but I do appreciate you bringing that up so we can have a chance to discuss that and appreciate that. It's the first time you've had to discuss it tonight. So, thank you. So, there's the subdivision, there's a flat plan, there's setback requirements, land use requirements, size requirements, rental restrictions and things like that. I would say one thing to consider is in debating, you know, weighing the pros and cons of proceeding with the development for the county and proceeding with the city, with the county, these springs are detached, so there's, there's more liberty if you develop in the county, but there's some advantages to developing in the city as well, and can, frankly, want to be part of the city and a contributor to the city and all of that. So, these are just some of the tradeoffs you give and trying to find some common ground and appreciate that there's some concessions being made on both sides.

Mayor Vicky Lyon- Can I ask a question on the subdivision? So, I mean, basically it's still going to look the same. But, I mean, correct me if I'm wrong, but it it's still going to look the same. Nobody would know until you went to the property records and see that Bob Smith owns point eight, yeah, of that area. Yeah, there would, I guess I understand, because then they could buy it and they don't have to worry about monthly rent.

T.J. Budge- or whatever. Okay, yeah. I mean, it could. It's hard to, I mean, if that happened, it may just look like a, I mean, similar to a condo in that sense. You know, looks a little different, I guess, bigger lots in a condo, but smaller than a typical single-family home, but they would be private owners, and so that that does give the developer just a backstop or a plan B, if the need arises for market.

Mayor Vicky Lyon- But then reasons, if you're doing that with the ability, if you're building with the ability to do that, you probably have to put in more infrastructure, because you could have just put it on, I don't know, one electrical meter, but now every single house would have to have it and hook up, right? It would have to stand alone.

T.J. Budge- yeah, those upfront costs, which is part of the business decision, might be for the developer to decide, is it worth those upfront costs to have a backstop or a plan B if we need it, and that decision has not been made. But if the city just said, no, we're not going to allow you

T.J. Budge- Okay, so to proceed with the project, we will need a zone that accommodates it. So, the contract zone is a special zone that will allow this project, and it could be allowed with or without subdivision. And I'll let Mr. Birch speak to that in further detail during his but if the city decides to allow the project to continue in city limits, instead of, you know, being forced to the county, then we will need a zone that allows that. But and you know, our hope is that after you deliberate and debate, you decide you know what, we appreciate the need for the subdivision, we're going to go ahead and let that happen. But if you decide not, you said, hey, we're okay, but not the subdivision component, I would ask that you give me a chance to visit with my clients Okay, and confirm that they're comfortable with that being removed. And if that happens, we can make an agreement with that concession. So, I don't want to commit her without having had that.

Councilperson Jeanie Avery- I think all of us on the city council need more time. And I hate to where are they I hate wherever she I can't think. I hate to make you wait again, but this information, just only yesterday at 4:30 coming into my possession is not adequate.

Mayor Vicky Lyon- And Jeannie, I think we need to go through the public hearing, yeah, and hear what everybody has to say, and then we can go back and Okay, debate that.

Councilperson Jeanie Avery- Okay, I'm just saying I think we need more time.

T.J. Budge- Yep, and after you hear everything, you may be of the same opinion, and we'll respect that, or you may feel like we've heard everything. We know enough we've deliberated, let's make the decision that that's our hope, but it's your decision, not ours, so you respect that. Okay, does anyone else have questions about the development standards that are set forth in Section nine? There are others like, we have to have a property manager, an outside property manager. And you know, that's an that's an added cost.

Councilperson Diane Beckstead- is that considered an HOA? You better have an HOA.

T.J. Budge- There will only be an HOA if they were sold through individual lots, right? So, in the you know, that's kind of like the backstop, like Plan B, but with Plan A, there would not be an HOA. The manager is just on site to maintain the property, take care of things, be available as needed, and that's a significant cost, the developer then would not be required from county, but they're willing to do that to try to meet the middle of the city.

Councilperson Jeanie Avery- Okay, I have a question on page three, the bottom paragraph under a private access road, the third sentence, where it says developer is not required to install gutter and sidewalks along the private access road. Now maybe Rodney can answer this. Didn't a year or more ago, we have a conversation, and I think it was you that gave a presentation about future development in lava that it would include gutter and curb and gutter and sidewalks,

Rodney Burch City Planner- There's a paragraph in there that already says this will develop in compliance city ordinance.

T.J. Budge- Yeah, that's in seven

Councilperson John Head- the only area I saw addressing parking was the one space required for each two bedrooms or something. Yeah, on those, there's no parking allowed on that private drive, correct? That's remain unobstructed and a turnaround for fire emergency, it seems like there's going to be inadequate parking for guests and people that come to visit. Yes. What's the contingency for that? Or plan?

T.J. Budge- So the expectation is, is that they'll just be one car because they're, you know, very same never happens

Councilperson John Head- Look at our streets. We have nightly rentals one car.

T.J. Budge- I've looked at enough of the plot plans. There was, at one time, some parking by the barn or the office as well, some overflow parking. I don't remember where that, where that's at, but, yeah, I don't how many spaces are there.

Kim Jessee- two per unit.

T.J. Budge- Did you hear that? Yeah? So, two spaces per unit, plus the parking in front. Don't have that in front of me. I apologize, parking in front of the development on the east end.

Councilperson Mark Oyler- Are you talking about along six West outside of the proposed development?

Mayor Vicky Lyon- no. They'll have a parking lot. You know when barn would be in there? I think I heard her say that it'd be down there by the barn, like on the east of the garden. What were, what the garden, rod's garden was.

T.J. Budge- I apologize they don't have that in front of me or describe the (inaudible).

Councilperson Jeanie Avery- we saw the garden there for years, so we know where it was.

T.J. Budge- Any other questions about the development restrictions, the rest the rest of the agreement is Miscellaneous terms that are just typical in contracts of this type, like, how do you amend it when you give notice to if you need to those types of things? Any other questions? I'm going to let Mr. Burch talk about the, you know, the other contracts, the other documents, to the extent he feels that's needed. This is really the kind of operative agreement between the parties that describes how we're going to go forward and we appreciate your consideration. We

Councilperson Jeanie Avery- Yes, yeah, we I have zero recollection of that, and people that were here have told me that they've never heard that either.

Rodney Burch City Planner- Nonetheless, if the council chooses that that's not acceptable to you, we can remove that and revert back into what the agreement looked like before October 9. Don't know if anything to add? No, there's concern with the contract zone. Again, I would just reinforce that, that that is the tool that allows this project to occur via the annexation. Happy to answer questions about the contract zone, if that's appropriate.

Mayor Vicky Lyon- I have a question on the on the subdivision and contract zoning. Right now, we know that those are going to be short term rentals, most of them, but if somebody bought that, it could be a 5050, whether they're going to live there full time six months out of the year. Maybe it's a snowbird, and they decide that it's better to buy that piece of property. So, I mean, we are kind of cutting. I mean, we could end up with a long-term resident. Could otherwise. We're not for certain, I don't know, just that just came to mind.

Rodney Burch City Planner- so I do agree with the applicant. The product will not look any different when you drive by that and see what that product is, it will not look any different if it is allowed to subdivide. We do have protections in there that require those future owners to live by the same standards as this development agreement, so it will never that's a strong word. We believe the contract language will protect it from ever getting worse. To the mayor's point, it does have opportunity to get better, as far as the relationship of ownership to short term rentals. Does that help or hurt?

Mayor Vicky Lyon- No, I just, I mean, that just came into my mind, and I mean to me, that helps, because it's kind of making the picture look better, but, and

Rodney Burch City Planner- the decision that is in front of Council today is, we, we use that term project, judicial. You have to gage This. This. Does this meet the standards of the city of lava, hot springs? After you hear input from the public that will, that will be your challenge to gage this. This is the most beneficial to the city.

Councilperson Jeanie Avery- So are we going to give the public a chance to speak on this issue before anything is asked of us?

Mayor Vicky Lyon- Yep. I mean, we're going through the agenda.

Rodney Burch City Planner- We do not have contractual restrictions in the Jesse with so basically development, okay, Holladay is different than we can address, is TJ still here? Do you have access to or maybe Kim or Kyle? It may be helpful appreciate Genie's input there, but they do have an analysis of how their project relates in water and wastewater still has a demand, but it's a little different. Yeah, it might be helpful for you to address that.

T.J.Budge- So thank you. The developer did do an analysis of what their water and sewer demand is going to be, and you have to make some assumptions about occupancy. And so, they used current data or vacation rentals, which is available from VRBO and the city of lava Hall's springs, has an average short-term occupancy of 42% or 153 nights a year. So that's the average that any rentals rented during the year. Councilperson Jeanie Avery- So that doesn't show the highs of the weekends or holiday period.

T.J. Budge- not instantaneous demand.

Rodney Burch City Planner- This is in your this should be in your packet at the back of tab one. So just in front of tab two is there's four or five pages that was speaking to.

T.J. Budge- but I can just tell you what it says that if you they have the same occupancy as other short-term rentals in the city, then their project will have the equivalent water and sewer demand of six to seven single family homes.

Councilperson John Head- Their whole development, oh,

T.J. Budge- no, yeah, big, yeah. So, there's they're small, so the units don't have lots of people, but, but the whole development would have the equivalent of six to seven full-time single-family residences.

Councilperson John Head- What is, what is the number of occupants for the 1000 square foot Hall's that you're going to rent to? I mean, if they're going to sleep four people?

T.J. Budge- yeah, four to six.

Councilperson John Head- We have six people there for three nights in space for one car parking, two cars.

well, I'm trying to be nice. That's that was, that's my main concern. Is where they are found and used. Because I work in a community that's all in the island, and their roads are they have issues, but not like ours. So that's all my comment is, thank you.

Mayor Vicky Lyon- thank you. Tom All right. Leah Navarro,

Leah Navarro- my (inaudible) be on the legal notices public legal notices do not identify where public can review documents concerning proposal, because public records must be open for inspection, a public notice should tell the public where and how to review these records. Published legal notices show three things, applications for owner annexation, proposed annexation agreement, which establishes conditions annexation, including development requirements, city obligations and development phases. Note, this is why the public notice should have information as to where to go get it application for initial zoning designation of our three and multifamily residential zone and contract zone for the other which I remind you, is not in the current conference plan. Deadlines, oh, the notices that were sent out to give the annexation information, they were not transparent or potential full impact of the proposals without God, I can't talk other information is at least noted. Deadlines of the letters stated written testimony is required to be sent and delivered to City Hall's seven days prior to the hearing, but then the letters stated information and documents will not even be available for staff or council with the city until six days before the hearing. I ask you, how can the neighbors adhere to a testimony deadline and city one will not even have the information until the day after the city stand on in two separate meetings, lava engineers stated the reality of the moment lava it's water. Even after Hall's well starts producing the sewer capacity left is the 42 for residential, I was personally told by the planner sitting on council the promises were made. Just who promised what? Let me remind you that promises are not binding. Only your vote binds this city vote wisely, because adding more demand on an already a delinquent constraint system, you may have some explaining to do to the voters.

Mayor Vicky Lyon- okay. Nancy Petrun.

Nancy Petrun- I would like to thank our city council, our new team. Very proud of you guys. So, I am in agreement with Mr. McBride, if you ride a bike around here, push the stroller, you don't really notice ride the bike. Bike is the worst. It's, it's terrible. And then, and I love Tony and Justin, but it's, it's not good. I have some very, a very weird thing to talk about. I've done some coloring. Okay, so this is the city. Yeah, I had such fun and I couldn't get a good map. So, this is what I did. The green are all of the structures currently here. There are some missing. The map is old, that's online. The green are all current structures, you can see better if you want to look. Circled in black, people actually live there, okay. Circled in red, nobody lives there, or they're in Airbnb. I also did

Mayor Vicky Lyon- I think the road, the road was designed to meet EMS, turned around at the end. Thank you for bringing that up. Thank you, Kim. Okay, Wendy Prather,

Wendy Prather- Wendy Prather, City resident, I've been talking all day to a whole bunch of people. So, I apologize. I'm just going to I have a big speech, but I'm not going to do a big speech. There have been issues since 2021 with Idaho Department.

Environmental Quality of this public (inaudible) development being over the grace nitrate priority area and over ground water that may affect existing drinking water, drinking water users and the proposed density. And I've heard a lot of like, if you don't do the city doesn't do this, then we'll just go back to go into the county, and the way that they're proposing this big of a development with 22 connections the county doesn't oversee the state, and it does trigger adaptive rules, so they would the way to get the only way they can develop that with the 22 connections to serve over I think it's 14. Don't quote me on that. It might it's 14 connections. You have to have a public water system, and DEQ and Amantha is the ones that cover that, and they don't approve that when you are adjacent to the city. So, the only way for them to develop it into the 22 to make a financial feasibility for them is to connect to the city water and sewer. I have concerns about the city water and sewer already being at capacity, and also emergency services adding more nightly rentals they're asking to break the rule that we just not rule the ordinance that you just barely the newly short-term rental they're already asking to not have to comply with that. So that sets precedence for other developments, and the emergency services is a little. We don't we're not like a normal city that has our own police force fire. We are contracted, and we know that the ambulance right now is being a little. It's a little up in the air for finances, but we're adding more people, whether it's nightly rentals, which is even more because they come to be on vacation, and so I worry about the EMS services as well. Thank you.

Mayor Vicky Lyon- Okay. George Shail,

George Shail- (inaudible) but I think this is, I think the best way to put this is, this is a cart in front of the horse. Moment, let's fix the horse, which would be our water, before we attach a card which would be the annexation, doesn't make sense to me. I think we have to see the end before we begin something like this. That's just obvious. And then also, generally contract phoning favors private developers, and it doesn't really great for our broader, general interest of the general public, that's all I have to say.

Mayor Vicky Lyon- Okay. Randy Benglan,

T.J. Budge- I'll try to keep it brief. First, I want to thank the people who showed up. This is how it's supposed to work, and I do appreciate all the comments that were they were shared today. That's how the system works, and the public input is important and respect that I drove by the city of lava, not the this last Fourth of July, but the one before. And I am empathetic feelings here. So it's not like I remember it when I was young. You know, when we come, we come on weekday evenings, usually, because it's, you know, that's not so crowded. So you guys are facing challenges. You have been for some time, and wrestling with it and and all of that. And that's not lost on me. I want to comment about a couple things. We don't want to build a development that doesn't have water sewer, and you don't want to approve a development that doesn't have water or sewer. What's customary if there's questions about capacity is, if the city or the county is going to approve the development, it's with the condition that that water and sewer capacity exists. That's a technical question. That's for, you know, Keller. But we, we feel alike, you know, we don't. We want to make sure there's water and sewer as well. So we have no concerns with that. That concern has been raised, and we expect that any approval have that type of condition attached to it. I will assure you there's no promises that have been made. I wish there were but, but there have not been any promises made. If that had happened, we'd have been done with this a long time ago. So, we're not here because we've been promised anything. We're here because we think this is in the best interest of both parties, and I appreciate the pressing concern. Every development has to stand on its own two feet, and every circumstance is different. It has to be evaluated. And this is particularly unique. This project is unique because it's not currently in the city. It complied with county ordinance and the county approved it, subject to further discussion about water and sewer. And so, if a if you know Randy or somebody else, had another project, that doesn't mean it's in the same position as this one, and is difficult as it may be, the reality is that the decision to be made here is not whether it happens, it's where it happens and whether it happens in city limits and where or not. And that's just a unique reality of this project, given its location and the nature of the development, we worked really hard at this for a long time, as has the city. We are sensitive to the concerns and the challenges the city faces. I don't know all the economics that go into renting versus selling. But that's obviously, you know, an ongoing challenge here, and this is not going to change those economics. You know, that's a problem the city is still going to have to wrestle with one way or the other. We do think, given all the history and circumstances, the time is right to go ahead and move forward with the project, and we would respectfully ask that you approve it in one form or another today.

Mayor Vicky Lyon- Where are we at?

Lyle Fuller City Attorney- deliberation, and discussion.

Mayor Vicky Lyon- I don't think those are 1000 but they're 450 or something.

Councilperson Diane Beckstead- but I don't think there's that big of a demand for people right now to live in lava, because there's no there's no jobs.

Councilperson Jeanie Avery- I mean, there's never been industry here. Yeah, I just got a call today, folks and people that live just outside of town, asking if I knew of anyone where there was an apartment or a home available for rent, and for a family that does have a dog, I don't know the size of the family, I was really busy, so I didn't ask a whole lot of questions. But there are people that are looking for a place to rent in their lava. That's not a new thing.

Councilperson John Head- Well, we've heard, we've heard, you know, people they're going to move towards, some opposed, some in favor. I just think, you know, we are a small town. We are, seems like our whole focus is serving our residents here that want to maintain community. And we got to listen to that.

Councilperson Mark Oyler- that, yes, yeah, I had a few thoughts, and I wanted to start by thanking the Jesse's. I feel for the situation. I think I remember meeting Is it Kim, when we first moved into lava, about six years ago, I think I was either jogging or hiking on the property, and I remember at that point you talking about, oh, we'd love to do X, Y or Z. And I feel in reading through the history, it's four pages of we're trying to do this, we're having lots of obstacles. So, I do feel that. And being new to council, I feel the chair has some certain responsibility for the city itself and also for residents. So, I did sincerely read through this and consider both sides, and I feel like the responsibility of my chair the way I see it. I've got a few points to look at. One being with the new zoning alignment with the comprehensive plan. Currently we've got to the east of it is our two. It's residential zones. To the south is pre-approved r3 affordable housing to the west is we'll be talking about later proposed r3 and to the north will be likely r3 I feel the loss size is a significant deviation from our existing zoning standards. The contract zoning in and of itself. It's a separate animal, but it does. I heard this a couple times tonight. It sets a sustainable precedent for us in lava, where we would be, you know, if we go along with one deal, we're expected to provide that for other people at another time. Or there's potentially some liability with that, I feel as council, we have to look at the potential or likelihood for this, the smaller things, the secondary things like undue traffic disruptions. With 2022 23 units, we have 23 to 46 vehicles with one egress point, Ingress point, that feeds out into that are too the proposed use effect on surrounding areas negatively impacting home values. We're putting prefab, tiny homes that are placed on foundations and some on wheels, according to the development agreement, I feel that's going to affect house values potentially, when we consider the fact that they're

Councilperson Mark Oyler seconded the motion. All In Favor, John Head- aye, Diane Beckstead- nay, Jeanie Avery- aye, Mark Oyler- aye. 3-1 in favor of denial of the CKJ Jessee development. motion passed.

Mayor Vicky Lyon- so we need to take a quick break. Five-minute break

## **11. Annexation Ordinance – ACTION ITEM**

### **Public Hearing – Holladay Development**

#### **Hearing-Annexation/Annexation Agreement/Zoning Annexation Ordinance**

Mayor Vicky Lyon- Okay, we'll reconvene our meeting. Okay, we need to have someone make a motion to open the public hearing in regards to the Holladay development.

Councilperson Jeanie Avery made a motion to open the public hearing for the Holladay Development. Councilperson Mark Oyler seconded the motion. All In Favor, John Head- aye, Diane Beckstead- aye, Jeanie Avery- aye, Mark Oyler- aye.

Mayor Vicky Lyon- description of project.

#### **1. Description of item by Chair**

Rodney Burch City Planner- I'll take that Okay. Madam Council, just a quick description of what this application is. It again, is three applications, one of the requests for annexation to an annexation agreement that defines, again, the relationship between the city and the applicant. And then the third is their initial zone, which is really easy they're defining to come into the city, Lava Hot Springs, in our r3 zone that has already been defined. And we know what all of those standards can be. So, the application, I think, are pretty clean and straightforward.

Mayor Vicky Lyon- All right. With that, we have a presentation by the applicants.

#### **2. Presentation by applicant**

#### **3. Council questions for applicant (if any)**

Rob with Sunrise Engineering- I'm here tonight representing the Holladay's. So, we appreciate your guys' time. It's always a tough seat to sit in, right? So, I'm going to try to be quick and focus on kind of the main topics. I think that are the biggest concerns. But just to start, start off. I think everybody sees it. Just want to make sure we're clear. So, the part that we're actually annexing does not include the campground that is included. Just want to make sure everybody's on the same page there.

with the developers that being said, it will follow that ordinance. So, folks buy it, and it's less than 5% of that phase. You know, it's not going to be anything over your order. If I read it correctly, it would comport with all existing ordinances.

Lyle Fuller City Attorney- okay, just as a point of fact on that Rodney jump in if I'm getting this wrong, but under the annexation agreement, it says they could have up to 12 short term rentals once fully built, okay? And that would be fully built, right?

Rodney Burch City Planner- That number is derived from our current ordinance, but if our ordinance changes, they would still live by the 12 that they've agreed to or come back and ask for special permission in which you have the ability to interact.

Councilperson John Head- So we wanted a schedule on the phases. Do you have a schedule at all? Anticipate?

Rob with Sunrise Engineering- We don't. We don't. I think it's going to be dictated largely, and I'm going to talk about this in just a second, largely by the absorption rate. Right? Let's see what happens. We're not going to build a bunch of infrastructure and go through that expensive nothing moves. So really be dictated by the absorption rate. So, if there's,

Councilperson Diane Beckstead- if you don't sell what to do in the first phase, then you're just going to leave the rest of the ground like it is, yeah, until you know,

Rob with Sunrise Engineering- eventually it'll be developed. few of the highlights of the project that I wanted to bring up as well. So, we do have irrigation water rights. What does that mean to you? That means that we're not going to be using culinary water from the city to water our grass that only runs a couple months of the year. So, the reason why that's so important, and why it's important to emphasize is that, you know, if there is a concern about water, that they actually use the least amount that they can, as opposed to somebody who does not have that.

Councilperson Jeanie Avery- so this irrigation water is that coming from a canal?

Rob with Sunrise Engineering- Yes.

Councilperson John Head- sorry just go back to that. So, they won't have any hookup for irrigation sprinkler systems or anything to the city systems.

system, but the capacity of the water system has to be compared to the peak flows along with fire flows. So, you got all of that bunched together. So basically, what we're saying is there's not enough capacity. If everybody has is taking a shower and has a washing machine running as well as there's a fire contaminant, we have a few higher items open. So, I want to make sure everybody knows there's you have water, but you don't have enough water to address that peak flow concern. And so, as engineers, we try to be conservative. We try to make sure that we plan for worst case scenarios. So that's why we do that. That's why there's that regulation is to just ensure that the city is in the best position possible. But I don't want you being concerned that it's there's not going to be enough water if we have 43 hookups instead of 42 because that's really not the case, the majority of the year, you'd be just fine. jumping into a little further. So, the way this happens is, once you establish that there's a capacity issue, the city is going to be required to do electric facilities planning study in order to get funding. So, facility planning study is going to look at it. They're going to go through and they're going to base everything, everything that the city has, all the improvements that this city that is, it's based on a 20-year development project. So, the engineering company will collect census data, current building permits, building permits over the past 344, years. We'll try to come up with a consistent growth rate that the city council reviews with the engineer, and they all agree, okay, yeah, that's a pretty consistent growth rate. So that's what we'll use for our 20-year projection. And then all of the improvements are designed based on that 20-year projection. And mind you, I want to make sure that you guys heard that at no point does it talk about pending subdivisions or future development that's not part of that equation. The city is going to be required to size their water and sewer improvements based off of those growth projections, not off of the Holladay's doing an annexation application. So that's why I think it's important to separate those issues, is that, yes, you do have capacity issues, make no mistake, but the city has it whether this comes or not, and the city is going to be required to size it the same whether this comes or not, and then the end user will be charged the same whether this comes or not. So, all of these are important things to know, and then the debt service is the last thing. Once we do the improvements, then you have the debt service. So now I want to switch gears and talk about the project. Okay, well, that's nice, so we understand that. But what about this project? How does this affect capacity, one of the really important aspects of the way, like with the city of lava, is that you guys actually do a first come first serve. You operate on a first come first serve basis. What that means is at the time of building permit, is when there's really that assessment on whether or not there's enough capacity, unless there's a moratorium. You know, applicants come and when they're building their house, they do their building permit, and that's, you know, if there's available capacity, then they're granted their building permit. They move forward. There's not, then they won't, and that would be called a moratorium. So, so with this development, there's potential they could go up to 230 units, but that's not going to all

going to rub shoulders with you folks. They want to do a good job. So, I feel like that's that should say something for so and I'm here to answer any questions.

Councilperson Jeanie Avery- okay, without going line by line through these proposals in here, these contract proposals can again, as I read earlier from our list about the water and wastewater supplies that we have, that there are some plans in place to expand our water capacity, and if it goes well, within the next year, we'll have enough water if that goes well, okay, so can this be drawn up in a way with the understanding that life happens Sometimes it's not the way we want it to be. If we can't have enough water, can we delay until we can? Or I'm not sure the right words to use.

Councilperson Mark Oyler- maybe there's some protectionism in the development agreement for both for both sides and the city. Is rightly alluded to the other night, something like that.

Rob with Sunrise Engineering- I think that that's what the intent of the exhibits.

Rodney Burch City Planner- Again, Robert, we've been back and forth, staff, developer, legal counsel on both sides. We think that section 3.1 of the annexation agreement accomplishes that, but would be open for clarifying language if the council thought that that was important. That paragraph acknowledges that the city currently doesn't have enough capacity to serve the entire development, but also acknowledges that we are working towards mitigating that over time, and the tool that we have all ended up with is the Exhibit C, which is their proposed development schedule. That's where you've seen, I think it's 10 homes, and then at the end year club, we're going to build a bunch. I think Robert has acknowledged that's aggressive, likely will not be driven by the market but the goal was that there's some trust from the city that they're going to develop in a prorated schedule, and there's some trust from the developer that that city is working to mitigate our current deficiencies. So that was the goal of section 3-1.

Councilperson Jeanie Avery- Yeah. I just wanted to clarify that, especially for the public to hear that.

Councilperson Mark Oyler- Robert, I had, I did have a question. I know that at one point there was some you look for a well, at one point on the property, and it was not necessarily as viable as we hoped. Do you know if there will be additional efforts along those lines?

Rodney Burch City Planner- Can I add something to that American Council? Not if I may, the HOA will also have the responsibility to own and operate the secondary irrigation system, which is extremely valuable in this decade. And this is in section two, eight of the agreement, Hoa cities are not involved with the management or operation of HOA. So that's very clear line. That's not our role, but we have put language in this agreement that the HOA cannot dissolve itself. We have to be part of that, because we don't want to commit this development to operate the secondary irrigation system, and then someday they choose, they're not going to do it. So, the city does have a role of consent if the HOA wants to dissolve. That's about the limit of language that we've ever been able to get into these agreements. Is just to that fact, but I wanted the council to be aware that's the goal of some of their own improvements that they speak to. But the big piece, I think, for the city's protection, irrigation and inability.

Councilperson John Head- I was just looking thinking more of a subdivision that's now part of the city that there's going to be a level of standards and accountability for residents in the way they keep you know, so it's a positive attribute.

Rodney Burch City Planner- The best tool for that is they have 180 more lots to sell. Yeah. I mean, in all honesty, right? Their product, and the quality, both of initial construction and maintenance over time, dictates their future product. Sorry to speak on here,

Rob with Sunrise Engineering- you're good. No, I appreciate it.

Councilperson Mark Oyler- Another question, if I may, and for my own education purposes, just because I don't know, and this may be directed at Lyle, maybe Rodney can weigh in with cc&r's. Are those dissolvable? Can the HOA?

Rob with Sunrise Engineering- They can be that it sounds like one of the conditions is that it has to be approved through the city.

Councilperson Jeanie Avery- Yes, it states that here it has to go through the city.

Councilperson Mark Oyler- Yeah, just wanted to clarify.

Lyle Fuller City Attorney- And that's normally, yeah, an HOA or CCR, they could be dissolved without involving the city's okay that we're putting in the contract, they would have to give the city's permission either

provide water and sewage to the project. City does not currently have a capacity to serve project for portfolio subject to Section 2.4 the city will, at its expense, increase its capacity to provide water and sewer service as needed, to accommodate development of the project on the schedule attached here to as Exhibit C. So, I don't know. I don't know why, if you feel like that, if the city can really agree to that based on that schedule, as we, as we discussed in the past, you've seen how long it took us to get the well, the Lowe well and trying to find that location, trying to find some place to drill, trying to find the water, it takes time. And so, between finding an acceptable site to drill, and then also the funding, we talked on Tuesday about the cost involved to increase your water capacity and also increase your wastewater capacity, and so until we have the funding secured, I don't know that I'm comfortable agreeing to that schedule.

Lyle Fuller City Attorney- yeah, happy to comment, and it kind of goes to a comment that either Jamie or mark made earlier about what if we put something in that said, you know, your development might be limited if we don't have enough water, and we'd be put that in the agreement. And I say this in all humility, in the presence of two engineers, but whether we have enough water or not is not necessarily a black and white mathematically question. You're talking about capacity; you're talking about redundancy. And there could be a third engineer could come in and have a third, get a third opinion as to whether there's enough so I think in terms of whether there's enough water, it would be important to put in the agreement according to whom, according to whose engineer, is there sufficient water? As I understood the presentation from Keller and Associates, not Tuesday when I attended before, the issue was more so one of redundancy than capacity to serve what we have. Jeff, correct me. If I'm wrong, I'm probably getting it wrong. I know nothing about engineering other than I work with a lot of engineers who I highly value their opinion. The question is, though, how do you how do you say, who says there's enough water that would need to be put in the agreement, according to the city's engineer? Yeah, that would need to be specified.

Councilperson John Head- So, he also mentioned, I mean, the city is going to have a pulse of where we are in our water. Every, every construction project has to come in and get a permit and get, you know what, approval for a water hookup. If there's not water, I doubt we're going to issue a permit, right? I mean, there's a safeguard there. I mean,

Jeff Mansfield with Keller Associates- okay, yeah. I mean, as I expressed on Tuesday, the main issue with the water is the regulatory requirement to meet max day demand, and you currently don't meet that regulatory requirement.

Rob with Sunrise Engineering- I'll just have one last little minute. I just hope that it actually, it builds up before the end of my career.

Councilperson Mark Oyler- procedurally, is there another round of public comments?

Mayor Vicky Lyon- yes

Councilperson Mark Oyler- For myself, I don't have any other questions necessarily for Robert at the moment.

#### **4. Presentation by Staff**

#### **5. Council questions for staff (if any)**

Mayor Vicky Lyon- Rodney,

Rodney Burch City Planner- mayor and council that would indicate staff, I don't have anything to add unless there are questions that I can answer.

Mayor Vicky Lyon- Okay, we will open for public comment, so we'll take the in favor first, and hopefully I can go through this list a little better. Okay, so there's not any great Oh, actually, there's a letter that's in favor. Fortunately, I wrote it on my list.

#### **6. Open public hearing**

##### **a. In Favor**

##### **b. Neutral**

##### **c. Opposed**

Rodney Burch City Planner- This does speak in favor, dear city council members and Madam Mayor, thank you for allowing me to submit these comments in support of the proposed holiday subdivision on Monroe. Mrs. Lowe and I are wholeheartedly, are in wholehearted agreement that the subdivision, as proposed, would be a boon to the city. The area is in the targeted area of the area of city impact designated for expansion and growth of the city. Your new well and the rehabilitation of the covid Well will provide the necessary water for this and other future developments in the city. Additionally, the irrigation water that comes with the development reduces the overall impact for the city's system. More importantly, the annexation agreement will ensure an orderly outgrowth of the physical parameters of the city, as we have all discussed ad nauseum, with the four mongers pushing for unbridled conversion of private homes into commercial, short term rental property. Our town is slowly dying. This development is a shot in the arm with the hope for families being able to raise children here to live and love again. Yes, there are

two or three bedrooms. You could have put a little family in there. I think of the Stoddard's. I think a lot of families, or you could have several kids that want to work in town, that split the rent, it affordable, and then add some more on. Add garages if you want make it a nice little area. That's what we need. Townhouses are nifty. I just that's my two cents. Is it's not logical for us and we have all these empty houses that good to use. So that's not an answer. I know that. Thank you. Thank you.

Mayor Vicky Lyon- Okay, anybody else neutral on this that I have not called All right, next then would be opposed George Shail.

George Shail- (inaudible) talk tonight about capacity, but I have been involved in commercial, residential, municipal, agricultural, water treatment, and I think that there is an elephant in the room that isn't being addressed, and that that is the arsenic. Arsenic is a very complex and volatile chemical, and I believe there's arsenate three, arsenate five. I can't remember which one is which, but one is very difficult to treat. Either way. If you have arsenic, we're talking about some very expensive treatment methods long term. So, I think that ought to be considered. Sounds again, we need to, like, really think this out, figure out how much that kind of a system would cost long term. It doesn't seem like it makes a lot of sense. Weird Things can happen, too in groundwater where we're treating the pH just has to be perfect. And sometimes when we impact those arsenic zones, arsenic sludge can afford, can form. So, I don't think that we have the water part figured out again, worse never get the water figured out. Thank you.

Mayor Vicky Lyon- Okay, Randy Benglan no comment. Kim Harris,

Kim Harris- my name is Kim Harris. I'm a local resident. First off, I don't really have a negative feeling toward this development, but I would like to see a park in the middle of the development, as opposed to on the outside edges of it, because security reasons for kids and women and people walking around there. I think that's important, and it brings a sense of community to the center of the development. And then secondly, I had a question about what, where is the rain water, drainage water go in this development down to the trout ponds?

Rodney Burch City Planner- no they'll address that in the rebuttal.

Mayor Vicky Lyon- Okay. Is that it? Kim, thank you. All right. And Wendy Prather,

Wendy Prather- just more concerns, just about the water wastewater, then you commit to a large-scale buildup that's like large like, like, unknowns, like, even the secondary water. We don't have any snow, you know, so that water isn't necessarily there, or

as, as far as the part goes. Once again, I'll just tell you, we're trying to follow city ordinance so that addresses that storm water. Where does it go? You know, as we get into the design, we are required, as part of the city requirements, we are required to provide sufficient storage for, you know, a specified storm event. So that will be part of the roadway design and part of the subdivision design, the initial the initial treatment will happen. We're planning on trying to do along the side of the roads, doing swells that will have basically dams with every driveway, but swells on the side of the road for the initial drainage. And then if there still need a future capacity. We will have a drainage farm. We are trying to avoid that if we can, if we can handle it in the borrow pit. So that's the plan as of right now. Is the cost same for the city, whether it be one or 10? I believe yes, once the subdivision is built, it's a city road, so they will have to go out there. They allowed to plow the same whether there's one resident there or 10? So, I think it is the same. And then the last point that I want to hammer forward is just that the water and sewer capacity issues are here now regardless of this subdivision. So please keep that in mind as you guys contemplate your decision. This is, this is not the reason for it. It's here now, but I think that we are trying to provide an additional need to help pay for it.

Councilperson Mark Oyler- I just have one question, oh, it wasn't necessarily for Robert, actually, and maybe more for Jeff, regarding a comment that came out, what was the was the low site tested water quality?

Jeff Mansfield with Keller Associates- Yeah, yeah. We do a pump test, and we also do a water quality test part of drilling any well. And it was satisfactory.

Lyle Fuller City Attorney- Question was, for Robert, could you just address a little bit the developers and the engines with respect to the build out of the 12 short term rentals, the agreement just says 230, total units, of which 12 can be short term rentals, but and then that'll be dealt with in development agreements with each phase. But is the city going to be presented with Phase One development agreement 12 STRs, if you could address that?

Rob with Sunrise Engineering- No, absolutely, great question. No, that's not, it's not the intent. The intent is, is that it'll be based on your face, so each phase will have its proportional share, you know, up to 5% if you will. We were not going to hit you with 12 up front.

Mayor Vicky Lyon- any other questions.

Rob with Sunrise Engineering- just to follow up to our intent is, we're hoping that there's none, but if there is.

at it. So, if you're coming down Highway 30, is there enough room to turn off and then access it, and likewise, when you're exiting, is there any concerns through IDOT for that higher traffic area. And then lastly, maybe getting fire marshal to have an impact review around what that looks like. Maybe the school what it does to our sanitation budget and DEQ Fish and Game, Army Corps of Engineers, if applicable, as applicable, we know about our ambulance situation if we double our size, you know, how does that affect it? Those are some of my concerns that I wrote down. Obviously, the water issue is one where we may need to sit down and think that through, as well as if Lava were to move forward with this, the understanding that, what do we do if someone else wants to build a house or develop a piece of land, I know there's some land that is owned that people would like to develop in different areas, whether it be county or impact area. So those are considerations I think we need to talk about and work through as council, I'm not super comfortable in making a decision until you know, we have some more dialog around that, and I don't know if we have enough time and information to do that tonight. Those are my thoughts. So, some of those, those are legitimate thoughts, for sure. I mean that some of those questions or concerns are based on adding another 225, homes tomorrow, which that's not going to happen. As we add, as we add more new residents in in a subdivision, certainly can help us offset the cost. Yeah, the water projects are going to happen one way, whether we have a subdivision built or not, that's still going to be funding as we go on these projects, finding great army to do. Yeah, I don't know. I mean, I'd like love to see lava 500 residents, but never been there, so I think that's going to take a lot longer than anybody anticipates. And all of these kinds of questions are definitely going to need to be addressed. I think they're going to be through time, because I think we're going to have, it sounds like a paste type of development at a pace that shouldn't overrun I would think our infrastructure now so and forgive me again, I just don't know the answer. Does lava have the ability to gain more water rights.

Jeff Mansfield with Keller Associates- So there is a process to go through to acquire more water rights. So that would be something this you could look at acquiring additional water.

Councilperson Mark Oyler- It's a hard one to move past this other stuff. You know, getting letters from fire marshal, and I get it, you know, we can, we can address that and likely move on. But for me, it's hard to swallow that if we max out and this, this project builds out, which, if it moves forward, I hope it's successful, but it's hard to move past the fact that we would at that point, not have an additional ability to service any more development, if I'm understanding the way that works. So that's my concern. If there was a development. Did you have a question? Robert,

development on the horizon that I know about. I would hate to just maybe not consider it because of the what ifs. They definitely have to be considered no question mark, and that's good to look at all that. But we can, we can just sit here and what if, and then we don't do anything.

Councilperson Mark Oyler- Yeah, and that's not what I'm suggesting. It's just a lot to it's a lot to swallow in the face of that realization that at some point a small a small town like does.

Rodney Burch City Planner- consideration Mark, if you may have just, just a different perspective, if we grow to that water rights, and we have 230 additional homes in Our community in 15 years, we're successful. We right now, maybe not everybody agrees, but if the community wants to grow, and we grow and consume our water rights, we've accomplished the goal. We need to go replace those. But I guess my thought is, if, if it's 230 homes here, or 100 here and 100 here and 30 there, that's positive growth. So now I offset that with the fact that they already alluded to, they appreciate the fact that we're a first come first served community. So, this isn't a commitment of all of our water rights to the Holladay's. Does that make sense?

(inaudible cross talking)

Mayor Vicky Lyon- So if they have their first phase is 10, and they're working towards that, and somebody else comes in with 10 more, I mean, and we have the capacity, then they get those. And we might have to say at the next phase to wait

Rodney Burch City Planner- right, our goal is to be first come first serve, not a commitment to the Holladay's.

Lyle Fuller City Attorney- We'll go back to that paragraph, 3.1 we were talking about in terms of, are we committing contractually that we will have capacity versus we'll make reasonable efforts by the longer.

Councilperson Mark Oyler- and is 3.1 sufficient in protecting the city as well as well as developer goals around, around the sort of tentative water issue, or does that need any.

Lyle Fuller City Attorney- with the discussion and input tonight, I would recommend at least that addition be put in 3.1 to say the city will make reasonable efforts to have that Capacity or go find the capacity.

Rodney Burch City Planner- is that language okay for the Holladay's?

Mayor Vicky Lyon- What about, if you look at, I mean, that we go back to the agreement and rework that. I mean, they can still say no, does it work for us and walk away, but at least we give them enough information to move forward or not move forward if we say yes or no.

Karen Holladay- I like that. He's proposing, you know, I just don't want to be if you guys want to rework it, knowing whatever my concerns are, you know, just I don't like that wording. It's protection for the city, but it's no protection for us. We need a balance between those two things.

Councilperson Jeanie Avery- Okay, so how can we come up with that balance?

Rodney Burch City Planner- I don't think we should do it afterwards, but if I can the combination of paragraph three, one and then dependency, which is that development schedule really protects both entities. Now what I'm hearing us say is that we may be nervous about the development schedule

Mayor Vicky Lyon- we as in us for our facilities

Rodney Burch City Planner- we're trying to solve those what is, is the development schedule listed in Exhibit C, too aggressive for the city, and I think that's 15 years, 15 homes. The first year,

Councilperson Mark Oyler- I thought it was 10 in there.

Rodney Burch City Planner- So we may, to me, that's the point of negotiation for both sides, that we still leave the language similar to what it is now, less than what we would like it but stronger than what Karen would like. To me, I think we're negotiating that schedule because we're making a commitment to them. I have full appreciation for the fact that they're going to go put millions of dollars into this right to have us in 2027 say we have me, there is definitely a balance there for both sides. I don't know if you or Walter are negotiating the schedule.

Karen Holladay- I'm gonna let Ron if you guys are okay with that.

Lyle Fuller City Attorney- a little different slant on it if I could, and I think Rodney is spot on. If the developer spends those millions of dollars, and our contract says we will

Councilperson Jeanie Avery- we've okayed the whole thing conditional if the water is available at the beginning of the next phase. That's how I see it.

Rodney Burch City Planner- Karen you look like you want to say something, are you okay?

Karen Holladay- Rolling around there's like I said, there's, it's going to take a minute for us to come up with a breakeven point, but I'd like the city to commit something that at least gets us to that breakeven point where we're not taking a hit.

Mayor Vicky Lyon- well, I mean, I mean, right now we can say yes or no and yes based on the fact that they come up with their number, and we accept that, but at least they know that they can go forward unless they decide, well, forget it.

(inaudible conversation from the audience)

Mayor Vicky Lyon- It wasn't a break even they want to retire.

Rob with Sunrise Engineering- I think I think I would defer to Rodney. He's got a lot more experience in this most of us.

Rodney Burch City Planner- So I feel like we could your side of this agreement. Could put a pencil to it and come up with what you think of the breakeven schedule is, is that your seven or eight or nine with potentially a commitment to the city, that we're going to partner with you and be a good development entity, 100% committed to that point, so that you're at least made whole. Then moving forward, we'll do our best to meet capacity. But the reality of that is having experience with this, that breakeven point is going to be house 185.

Rob with Sunrise Engineering- My two cents, though, not having this conversation from everybody, but we can appreciate (inaudible cross talking)

Mayor Vicky Lyon- but I mean, the problem is, if you don't have, unfortunately, in front of everybody, is going to get tabled and, yeah, then you wait another month.

Rob with Sunrise Engineering- Reality is, it's, it's even the selling point that we shared in the presentation. They have the problem now, whether we do development or not, so I'm not worried about this anymore. Pushing forward, maybe I should be. I think they're

Lyle Fuller City Attorney- Well, yeah, why it makes sense to me, if that's the direction, well.

Councilperson John Head- I guess we as a council need to see where we are.

Councilperson Diane Beckstead-I do too.

Councilperson John Head- I think Mark brings up some valid points, but I think those are things that have to be addressed as a project like this goes along.

Councilperson Jeanie Avery-with those conditions,

Councilperson Mark Oyler- yeah, it's reasonable. And like I said, it's, it's a new process for me. So, it's partially educational. I want to do the right thing by them. I want to do the right thing for us, and I want to do the right thing for residents.

Councilperson John Head- I think we're all on the same page with that.

Mayor Vicky Lyon- So do we need to make three motions? Or can we make so you haven't the first item would be annexation agreement.

(inaudible cross talk)

Mayor Vicky Lyon- I thought that ordinance was going to be tabled till the next meeting. So, the annexation agreement is one motion, initial zoning as our three is a second motion, and the third would be annexation ordinance we'll table to the next meeting.

Rodney Burch City Planner- based on what's on your agenda.

Mayor Vicky Lyon- So if you look at eight or 12, I guess it's eight is annexation agreement. 12 was initial zoning as our three okay and 13 is annexation ordinance. So, does anybody want to make a motion?

**8. Annexation Agreement - Possible action by Council**

**a. Approval**

**b. Approval with conditions**

**c. Denial**

**d. Table / continue**

**12. Initial Zoning as R3 multi-Family Residential - Possible ACTION by Council**

i. Mayor no report

j. Council – no report

k. City Clerk / Treasurer- no report

**6 PUBLIC COMMENT - Non-agenda items; comments limited to 2 minutes each.**

**This time has been set aside to hear input from citizens. No decisions will be made, nor will any action be approved or denied, on matters raised under this agenda item. Items requiring City Council action must be agendized for a future meeting. Comments are limited to two (2) minutes per speaker. Meetings are recorded; please stand at the Podium, announce your name and speak clearly.**

Nancy Petrun had a comment asking when a code compliance officer was going to be hired and what does the City Council plan to do about the nightly rentals that are operating illegally.

Discussion was had about a house bill that went in front of the senate that pertains to STR's and that the code enforcement job description was being updated before it will be posted.

Kim Harris had a comment about the STR bill.

**7 CONSENT AGENDA – Routine items will be approved together with one motion. Any item needing discussion will be removed for separate consideration - All ACTION ITEM**

**a) Council approval of Bills – List of bills provided to councilmembers prior to council meeting for review.**

**b) New Business License Application Business License 16611 – Business Type General Contractor / Residential Contractor – Business Name Morris Construction - outside city limits**

**c) New Business License Application Business License 16612 – Business Type Plumbing and general Contracting Business Name Viking Elite LLC – outside city limits**

**d) Expired License renewal 16514 Business Type Construction & Remodeling – Business Name Micheal Gunter Construction LLC – 10255 E Old Oregon Trail RD #15**

**e) Sign Application – SP26-08– Garrett Kroll**

## **11 ROWDY LARKINS**

- a) LAV2025-04 rebuild and extending Deck issued 07/17/25 Alan Spidell - Surrounding LLC - 204 W Main - Myrna Beery Spidell Construction Project - Progress report.** – Rowdy reports that there is nothing new with the project.
- b) LAV2025-05 Riverside Hot Springs/Eruption Brewing retaining wall - 8.27.25 Rowdy approved updated engineer plans and Building permit issued – Progress report.** – Rowdy reports that they are making progress.
- c) LAV2024-07 – Heidi Patha new build STR - 355 W Main Project Permit – Stamped Engineer plans for Block Retaining Wall received. Progress report.** – Rowdy reports that they are close to finish.
- d) Sam Netuschil – 44 & 48 Purple Moon Roof - Building Permit Application Building & Zoning Permit received not approved -Waiting on snow load &on IBC requirement.** – Rowdy reports that he has received the engineering plans with the appropriate fixes made to them.
- e) LAV2025-08 East KOA Holiday Bath House 9400 S Blaser Hwy - Building & Zoning Permit approved.** – Rowdy reports that the sheetrock inspection has been done and they are close to finish.
- f) LAV2025-11 Garrick Hunsaker - 71 Portneuf – House remodel plus garage Elevation Certificate approved - Floodplain permit approved - Building & Zoning Permit approved.** – Rowdy reports that the foundation inspection is done.
- g) LAV2026-01 Deck re-build project 78 N 3rd Ave W Jeremy smith contractor Building & Zoning Permit received – Payment pending.** Rowdy reports that the project is actively being worked on.
- h) Garrick Hunsaker - 71 Portneuf – Deck replacement due to windstorm - Elevation Certificate approved – Floodplain permit approved – Building & Zoning Permit in review process.** – Rowdy reports that the deck needs replaced and that there needs some clarification.
- i) Patrick Navarro – 187 W Elm – House remodel due to windstorm - Building & Zoning Permit in review process-** Rowdy reports that this is a repair not a remodel and the engineer looked at it today. He is waiting to hear back from the engineer.

for 12 months. Councilperson Jeanie Avery seconded the motion. All in favor, John Head- aye, Diane Beckstead- aye, Jeanie Avery- aye, and Mark Oyler- aye.

**c) Resolution 2026 -003 Citizen Community Bank Certificate of Deposit - ACTION ITEM** Councilperson Mark Oyler made a motion to transfer resolution 2026-003 from Citizens Community Bank to the state treasury fund. Councilperson John Head seconded the motion. All in favor, John Head- aye, Diane Beckstead- aye, Jeanie Avery- aye, and Mark Oyler- aye.

## **16 NEWLY ELECTED OFFICIAL RESOURCES**

**a) Open meetings**

**b) Planning & Zoning (AIC)**

**c) Transparent & Ethical (AIC)**

Councilperson John Head made a motion to move items 16, 17, and 19 to a special meeting on February 27<sup>th</sup> 2026 at 10 am at city hall. Councilperson Jeanie Avery seconded the motion. All in favor, John Head- aye, Diane Beckstead- aye, Jeanie Avery- aye, and Mark Oyler- aye.

## **17 REVIEW AND APPROVE CODE COMPLIANCE OFFICER JOB DESCRIPTION – DISCUSSION**

Councilperson John Head made a motion to move items 16, 17, and 19 to a special meeting on February 27<sup>th</sup> 2026 at 10 am at city hall. Councilperson Jeanie Avery seconded the motion. All in favor, John Head- aye, Diane Beckstead- aye, Jeanie Avery- aye, and Mark Oyler- aye.

## **18 COMMUNITY INVOLVEMENT**

**a) National Arbor Day April 24, 2026 – DISCUSSION-** Council and mayor discussed the Arbor Day program at the school which is in April.

**b) America 250 in Idaho Ambassadors - authorize the mayor to sign the Logo use permission form - ACTION ITEM** Councilperson Mark Oyler made a motion to authorize the mayor to sign. Councilperson John Head seconded the motion. All in

**22 Motion to return to open meeting – ACTION ITEM**

Councilperson John Head made a motion to return to open meeting.  
Councilperson Jeanie Avery seconded the motion. All in favor, John Head- aye,  
Diane Beckstead- aye, Jeanie Avery- aye, and Mark Oyler- aye.

**23 Motion regarding Executive Session – ACTION ITEM no motion**


**24 Announce next regular meeting – March 23rd, 2026, Deadline March 13th, 2026**


Mayor Vicky Lyon announces next meeting and deadline date.

**25 Adjourn regular meeting - ACTION ITEM**

Councilperson Jeanie Avery made a motion to adjourn the meeting. Councilperson John Head seconded the motion. All in favor, John Head- aye, Diane Beckstead- aye, Jeanie Avery- aye, and Mark Oyler- aye.

  
Mandy Frandsen, Transcriber

  
Vicky Lyon, Mayor

  
Amantha Sierra, City Clerk