



AGENDA REPORT

Planning & Zoning Commission Meeting

TODAY'S DATE: April 30, 2025
MEETING DATE: May 7, 2025
TO: Mayor Grimm and City Council members
FROM: Jason Welker, Planning & Community Development Director
SUBJECT: Public Hearing - Proposed Update to Sandpoint's Area of Impact

INTRODUCTION

The purpose of this staff report is to present to the Sandpoint City Council a proposed update to the City's Area of Impact (AI), formerly referred to as the Area of City Impact (ACI), in accordance with [Idaho State Code Section 67-6526](#). 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.

A public hearing was held during the March 18, 2025, meeting to receive public comment on the proposed changes and for the Commission to deliberate on a recommendation to the City Council regarding adoption of the revised AI boundary. At that hearing, the P&Z Commissioners voted unanimously to recommend to Council that they accept staff's proposed reduction in the Area of Impact Boundary and recommend the updated boundary to the Bonner County Board of Commissioners for adoption.

DESCRIPTION/BACKGROUND:

Idaho State Law, Title 67, Chapter 65 establishes the Local Land Use Planning Act, otherwise known as LLUPA, which is the State enabling legislation and requirements for cities and counties to engage in land use planning at the local level. A component of land use planning involves the adoption of a Comprehensive Plan (§67-6508) that includes and plans for the entirety of property within the jurisdiction. Additionally, as established in §67-6526, cities plan for areas outside their jurisdictional boundaries that are anticipated to be annexed for growth and development in the future. These areas are called Areas of Impact (formerly Areas of City Impact) and are proposed by cities and adopted as legislative acts by counties as the counties retain land use planning authority over these areas until such time as annexation occurs. The City of Sandpoint's current Area of City Impact was created by the County on January 2nd, 2007. Through the City's recent Comprehensive Planning effort which culminated in the adoption of a new Comprehensive Plan in July of 2024, the City is proposing a reduction to the future annexation area (Area of Impact).

The current Area of City Impact encompasses approximately **12.3 square miles** of unincorporated land adjacent to Sandpoint's city limits. Historically, this area has included large sections of undeveloped foothills and forestry lands, which are unlikely to be annexed in the foreseeable future. Legislative

changes enacted in 2024 require that areas of impact be limited to land that can feasibly be annexed and serviced within five years.

The 2024 Comprehensive Plan recommended reducing the AI to more closely align with the city's growth projections and serviceability, bringing it into compliance with the new state requirements.

PROPOSED AREA OF IMPACT

The revised AI boundary, as illustrated in Map 5 of the 2024 Comprehensive Plan, proposes a substantial reduction in the existing impact area, from its current 12.3 square miles to **3.4 square miles**. The proposed boundary is defined as follows:

- Extends southwest from city limits into vacant agricultural lands east of the slough between Ontario Street and the Pend Oreille River.
- Includes all properties between Sandpoint's western city limits north of Pine Street, incorporating both sides of Upland Drive up to Baldy Mountain Road.
- Follows Upland Drive north to Gooby Road, including properties along Gooby east of Upland.
- Encompasses properties along Mountain View Drive down to Leisure Lane, then north of Goodman to Woodland Drive, extending north to Schweitzer Mountain Road.
- Extends north from Schweitzer Mountain Road to Bronx Road and then east to Sand Creek. Includes all properties south of Bronx Road, east of Sand Creek, and north of City limits, including the neighborhoods of Sweetgrass Lane and Vedelwood Drive.

This proposed AI significantly reduces the footprint of the existing area, eliminating large portions of remote and undeveloped lands that are unlikely to be annexed or developed within the five-year planning horizon. No areas included in the proposed AI are not already in our existing Area of City Impact.

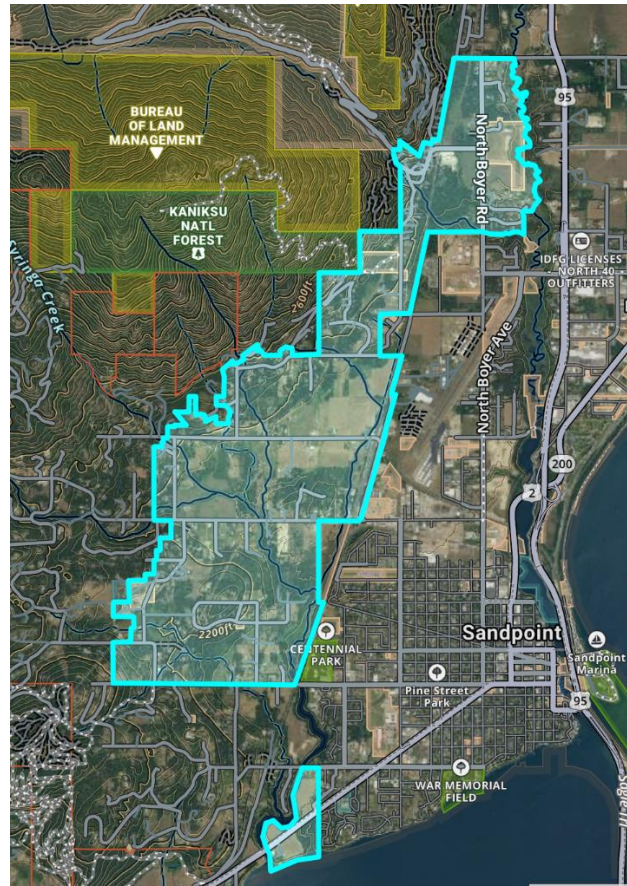
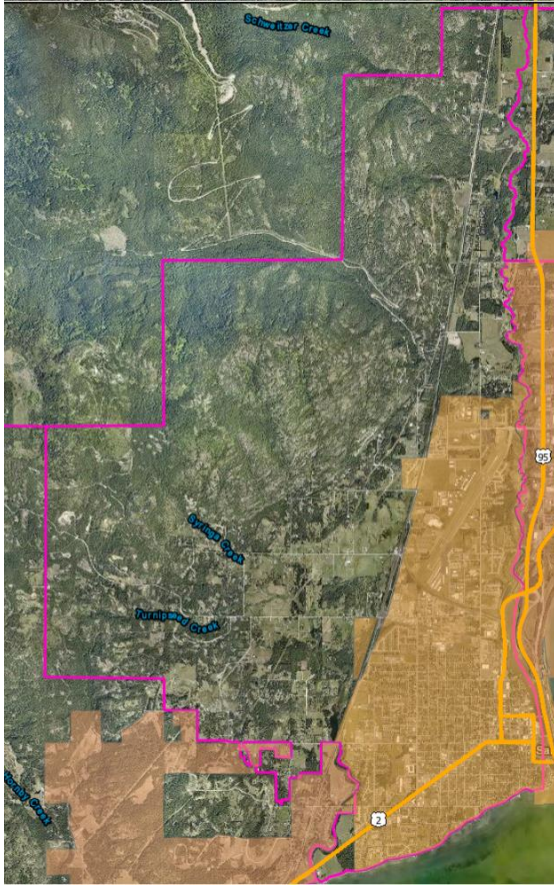


Figure 1: Existing Area of City Impact and Figure 2: Proposed Area of Impact

COMPLIANCE WITH IDAHO STATE CODE

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.

The proposed AI reduction aligns with these statutory requirements by removing lands that are neither feasible nor intended for future annexation by the City of Sandpoint.

PUBLIC NOTIFICATION AND INPUT

In accordance with state and local regulations, notice of this public hearing was published in the local newspaper on April 22nd, 29th, and May 6th, 2025. The notice was also made available at City Hall and

on the City's website. Property owners and stakeholders were encouraged to submit written comments by March 13, 2025, for inclusion in the meeting packet, with late comments distributed at the hearing.

OVERLAP WITH CITY OF DOVER

During joint planning meetings with the cities of Dover, Ponderay, and Kootenai, it emerged that Dover intends to include the area southwest of existing Sandpoint City limits, south of Ontario Street and east of the slough, in its own Area of Impact. The two cities' planning teams were unable to reach an agreement regarding which city should incorporate this land into its AI.

Sandpoint asserts that given the contiguous shared border with the City of Sandpoint's Northview subdivision, the ease of extending utilities into the contested area, and the natural geographical barrier created by the slough, the land in question is more logically included in Sandpoint's AI.

Conversely, Dover argues that since they previously extended a sewer pipe over the bridge crossing the slough on Ontario Street, they have the capacity to serve the area with utilities and wish to include it in their AI.

Pursuant to Idaho State Code Section 67-6526, if the cities cannot reach an agreement, any or all involved cities may submit their requests to the board of county commissioners for consideration. Sandpoint Planning staff recommends including the contested area in Sandpoint's proposed AI boundary and allowing the County Commissioners to evaluate the merits of both cities' arguments before determining the appropriate AI designation.

STAFF RECOMMENDATION:

Planning staff recommends that the Sandpoint City Council approve the proposed update to the Area of Impact (AI) boundary and forward a recommendation to the Bonner County Board of Commissioners for adoption. The proposed AI boundary aligns with Idaho State Code Section 67-6526, ensuring that only areas likely to be annexed within the next five years are included.

Furthermore, given the unresolved boundary overlap with the City of Dover, staff recommends that the contested area be included in Sandpoint's proposed AI boundary and that the County Commissioners be given the opportunity to weigh the merits of both cities' claims before making a final determination. This approach ensures that the AI boundaries are established in a fair and lawful manner, in accordance with state regulations.

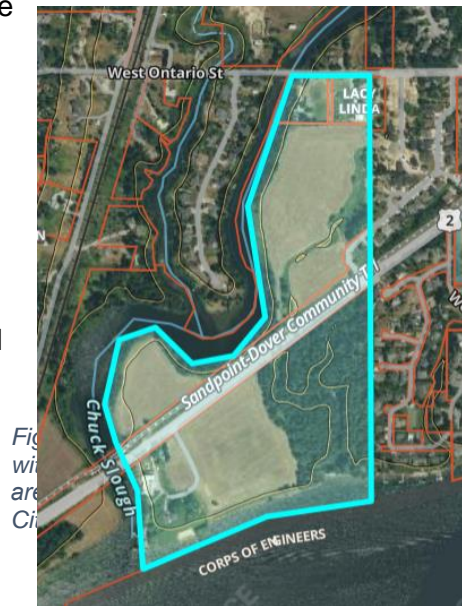
Staff further recommends that if the AI modification is approved by the City Council, negotiations with Bonner County proceed promptly to formalize the agreement and incorporate the changes into Sandpoint's planning framework.

NEXT STEPS

Upon recommendation by City Council, the next step involves negotiation with Bonner County for formal adoption of the new AI boundary. In cases where disagreements exist between cities regarding overlapping AI boundaries, the board of county commissioners will consider the respective requests and determine the final boundary placement per Idaho State Code Section 67-6526(3).

Once approved, the revised AI boundary will be incorporated into Sandpoint's comprehensive planning framework and zoning regulations in coordination with Bonner County.

ACTION:



Motion to approve, deny, or modify the proposed Area of Impact Boundary for recommendation to City Council and subsequent presentation to the Bonner County Board of Commissioners for consideration and eventual adoption.

WILL THERE BE ANY FINANCIAL IMPACT? No

HAS THIS ITEM BEEN BUDGETED? N/A

ATTACHMENTS:

- 2024 Comprehensive Plan Area of Impact Description
- 2024 Comprehensive Plan Proposed Area of Impact Boundary
- Current Sandpoint & Bonner County AI Agreement
- Notice of Public Hearing