

CITY OF SUGAR CITY, ID
PLANNING & ZONING MINUTES
Thursday, July 16, 2026, 7:00 P.M.

Commissioners in attendance: Chairman Spencer Haacke, Rick Robertson, & Chandler Lessing

Staff in attendance: P&Z Administrator Kurt Hibbert, Deputy Clerk Shelley Jones, Building Inspector Quinton Owens

Citizens: Josh Norman, Trevin Norman, Justin Coleman, Kendra Jensen, Todd Smith, Dawson Klingler, Seth Klingler, Ryan Rasmussen, Shellie Powell, Sandra Powell

7:00 p.m. The meeting was called to order by Chairman Spencer Haacke

Prayer by: Chandler Lessing

Pledge of Allegiance led by: Rick Robertson

Approval of 6-4-2026 Minutes:

Motion to approve minutes made by: Rick Robertson

Second by: Chandler Lessing

All were in favor, motion carried.

Continuation of Discussion on Public Hearing for Code Amendment Application to change City Code 9-3-13, removing the requirement of owner occupancy for Accessory Dwelling Units:

Chairman Haacke shared the following points as to why he felt the city should retain the owner occupancy requirement for ADU's. The arguments are based on the city's own legislative history, Comprehensive Plan, hearing minutes, and adopted ordinances.

- Owner Occupancy was the foundation of the ADU ordinance. The owner-occupancy requirement was not an afterthought. It was the principal condition under which ADU's were introduced into single-family neighborhoods. The ordinance was designed to help homeowners offset mortgage costs, provide housing for family members, support aging in place, and increase housing opportunities without changing the essential character of neighborhoods. Planning staff repeatedly explained that ADU's were intended to supplement owner-occupied homes, not create investment rental developments. The ordinance was adopted together with deed restrictions, parking standards, and design requirements as one integrated package. Removing owner occupancy removes the primary safeguard that justified allowing ADU's in low-density residential neighborhoods.
- Removing owner occupancy makes ADU's function like duplexes. Administrator Kurt Hibbert stated that if both units may be rented, the project effectively functions as a duplex. Building Official Quinton Owens explained that ADU's receive reduced construction requirements because an owner is expected to live on site. Duplexes, by comparison, require additional fire separation and different building standards. Removing owner occupancy changes the functional land use while avoiding the standards normally required for duplexes.
- The ordinance was written to protect neighborhood stability. During multiple hearings, the city repeatedly explained that owner occupancy helps maintain stable neighborhoods with long-term residents invested in their homes and community. The city intentionally sought to avoid entire neighborhoods gradually becoming rental neighborhoods. The legislation was consistently identifying neighborhood stability, not investment flexibility as proposed by the application.
- The decision is left to small cities. Waiving the requirement applies to cities over 10,000 people. The city attorney said this leaves it up to the city to enforce unless amended by city council. Because of that, it preserved local control because of greater impact on smaller towns.
- The proposal primarily benefits investment flexibility. The hearing focused largely on investment portfolios, resale values, rental flexibility, and investor interests. Very little evidence was presented to the owner occupancies as construction of ADU's materially limiting affordable housing, in fact it helped them out. Nothing was taken into consideration of the equity built into the house and the ability to sell the home with added value

that would not have existed without the ADU's. The proposal primarily focused on the investment opportunities rather than addressing the demonstrated housing shortage.

- Looking at the comprehensive plan extensively, it repeatedly emphasized preserving family-oriented neighborhoods, neighborhood capability, rural character, community identity, quality of life, and self-sustaining neighborhoods. Owner occupancy was adopted exactly for those reasons, to preserve owner involvement and neighborhood stability while still allowing additional housing. Removing owner occupancy shifts ADU's towards a number invested in properties and goes against the comprehensive plan. Taking these things into consideration, the owner occupancy requirement is cornerstone of the ADU ordinance, and it distinguishes the ADU from investor-owned duplexes. It supports neighborhood stability, it aligns with the comprehensive plan, reflects the legislations and decisions to preserve local control for smaller cities, and continues to balance housing opportunities with preservation of Sugar City's unique community identity. Therefore, we should retain the owner-occupancy requirement in Sugar City Code 9-3-13.

Mr. Robertson expressed the interesting thought process in this and reviewed everything that was said and done in the past. It was clear that owner occupancy was required. Thinking that we need to change is a hard decision to think about. There was a lot of time involved in putting together the comprehensive plan and working on this.

Motion by: Chandler Lessing - recommendation is to deny the application.

Second by: Rick Robertson

All were in favor, motion carried.

Discussion on Salem & Sugar City Zoning Map Amendments & Possible Setting of Public Hearing– Action Item:

Mr. Hibbert shared the new zoning map of Sugar City and the Salem area. There has been several updates and corrections made to the map to make it easier to read. It also includes the new name proposals of the North Rexburg Interchange and the Highway 33 Interchange north of Sugar City.

Motion by: Chandler Lessing to hold a public hearing on September 3rd to review the zoning map and its' amendments.

Second by: Rick Robertson

All were in favor, motion carried.

Discussion on 8-2 Sign Code Change Concerning Fort Henry Junction Area and Possible Setting of Public Hearing – Action Item:

Mr. Hibbert shared that a large travel center looking to develop wants highway signage that our current city code does not support. The commission will have to write new code to allow taller signs along the interstate. They are proposing a 100-foot sign. The commission will work on an update to city code for a future meeting and then schedule a public hearing.

Subcommittee Updates:

Downtown Design & Revitalization - Mr. Lessing stated he is working with Mr. Hibbert on the Downtown Commercial zone and things will be moving forward.

Misc. Reports:

Sugar City Urban Renewal Agency – The city is researching to find out if they will need an election to move forward with this committee. It can help the community in building up blighted areas and help educate communities. Mr. Hibbert stated it will leverage other economic development funds as well.

Salem Area Development – Mr. Robertson stated there was nothing new to report but commented that he is pleased with the new signage to go in at the North Rexburg Interchange.

Mr. Haacke requested to hear a report from Building Inspector Owens at future meetings on building permits coming into the city.

8:07 P.M.

Motion to adjourn meeting made by: Rick Robertson

Second by: Chandler Lessing **All were in favor, motion carried.**