



AGENDA REPORT

Planning and Zoning Commission Meeting

TODAY'S DATE: July 17th, 2025

MEETING DATE: July 22nd, 2025

TO: City of Sandpoint Planning & Zoning Commission

FROM: Planning & Community Development Director, Jason Welker

SUBJECT: Request for Extension of Conditional Use Permit (**PCUP23-0004**) and Variance from setbacks in the Commercial A Zone (**PVAR24-0001**) – 56 Bridge Street Hotel/Resort

PURPOSE OF REQUEST:

The applicant, Averill Hospitality, has formally requested an extension of Conditional Use Permit PCUP23-0004, which was approved by the Planning and Zoning Commission on June 18, 2024, for a 296,250 sq ft hotel/resort development at 56 Bridge Street. The permit was set to expire on July 5, 2025. In accordance with Sandpoint City Code §9-9-6(A)(7), the applicant submitted their request on June 25, 2025—prior to the permit's expiration.

The CUP extension is requested to allow continued progress on detailed design work and project development consistent with the approved site plan and project narrative. If approved, the extension will remain in effect for one additional year from the date of the Commission's decision.

BACKGROUND:

The originally approved CUP (**PCUP23-0004**) includes the demolition of the existing Best Western Edgewater Resort and construction of a new full-service resort including:

- 181 guest rooms
- 4,600 sq ft restaurant and a 1,391 sq ft second restaurant
- 14,262 sq ft of event space
- Guest amenities including a pool, fitness and wellness areas, curated retail, and recreational equipment rental
- 240 structured parking spaces (Later reduced to 145 parking spaces following the acceptance of a site-specific parking demand analysis showing an actual level of parking demand lower than that required by City Code and an agreement by the developer to pay in lieu fees equal to \$400,000 to offset 40 additional parking spaces).

The project also includes a variance (**PVAR24-0001**) to allow for a setback of 40 to 110 feet from the property line along Bridge Street, in place of the required 0' maximum setback in the Commercial A zone.

Per the original conditions of approval, the applicant was required to begin detailed design work within one year and to make a reasonable effort to complete the project in order to maintain the validity of the

CUP and variance. In the year since approval, the applicant has met with City staff numerous times to present detailed design plans and iterations of the approved site plan that City staff has determined meets the standard of “diligently pursuing” the proposed work as required by Sandpoint City Code. Some of the concepts presented during these meetings have deviated from the approved plans to the extent that Planning staff have told the developer that an amendment to the CUP may be required due to the substantial changes envisioned.

It is staff’s understanding that the applicant is intending to continue work on a final design that substantially complies with that approved under **PCUP23-0004** and **PVAR24-0001**, which explains the applicant’s desire to extend those permits at this time. However, if the final design the applicant settles on is deemed to be substantially different from that in the approved CUP, an amendment to the approved conditional use permit and variance after public hearings may be required in accordance with condition of approval #12 in the approved CUP, which reads: *“If CITY staff determines the revisions are substantial, these changes will require an amendment to the conditions by the Planning and Zoning Commission.”*

RELEVANT CODE:

Sandpoint City Code §9-9-6(A)(7) – Commencement of Work

“The proposed work shall commence within one year following the date of planning commission or city council approval of the conditional use permit and shall be diligently pursued or said approval and permit shall be rendered automatically null, void and of no right or recourse.”

Condition #2 of PCUP23-0004 (as approved June 18, 2024):

“Pursuant to §9-9-6-7 of Sandpoint City Code, detailed design work shall commence after the date of the commission’s approval. The CUP and Variance are valid for one year and will be extended so long as the applicant has demonstrated a reasonable effort to complete the project.”

Additionally, the City Attorney confirmed during the June 18, 2024 hearing that extension requests must be reviewed by the Planning and Zoning Commission.

STAFF ANALYSIS:

The applicant has complied with the requirement to submit an extension request prior to the permit’s expiration. Staff further recognizes that progress has been made on detailed architectural, civil, and structural design, fulfilling the intent of §9-9-6(A)(7) and Condition #2 of the approved CUP.

This extension request does not allow for or authorize any changes to the site plan, land uses, architecture, or development standards approved in 2024. If the applicant desires to substantially revise the aforementioned or modify project scope in the future, an amendment to the CUP and variance may be required.

Granting the extension maintains the status of the existing CUP and variance for one year from the date of this meeting (July 22nd, 2025).

STAFF RECOMMENDATION:

Staff recommends approval of the requested CUP extension for **PCUP23-0004** and **PVAR24-0001**, extending the validity of the permit and associated variance for one additional year (until July 22nd, 2026), under the following conditions:

1. Approval of this extension does not change any of the conditions of the existing CUP. Future modifications may require a new public hearing as established in the original CUP.
2. A second extension may be considered in 2026 upon a showing that work has been diligently pursued over the prior 12 months, as determined by the Commission.

ACTION:

The Commission may take one of the following actions:

- Approve the CUP (**PCUP23-0004**) and variance (**PVAR24-0001**) extension request as recommended.
- Modify and approve the request with additional or revised conditions.
- Deny the request based on findings that the applicant has not diligently pursued the project.
- Continue the item to a date certain with direction for additional information.

WILL THERE BE ANY FINANCIAL IMPACT? NO HAS THIS ITEM BEEN BUDGETED? N/A

ATTACHMENTS:

- Applicant's extension request letter dated June 25, 2025
- Original PCUP23-0004/PVAR24-0001 staff report (June 18, 2024)
- June 18, 2024 action notification letter with conditions of approval
- June 18, 2024 Planning & Zoning Commission meeting minutes