



Timeline of City Beach property transfers and leases

Prepared for City Council meeting on November 5, 2025

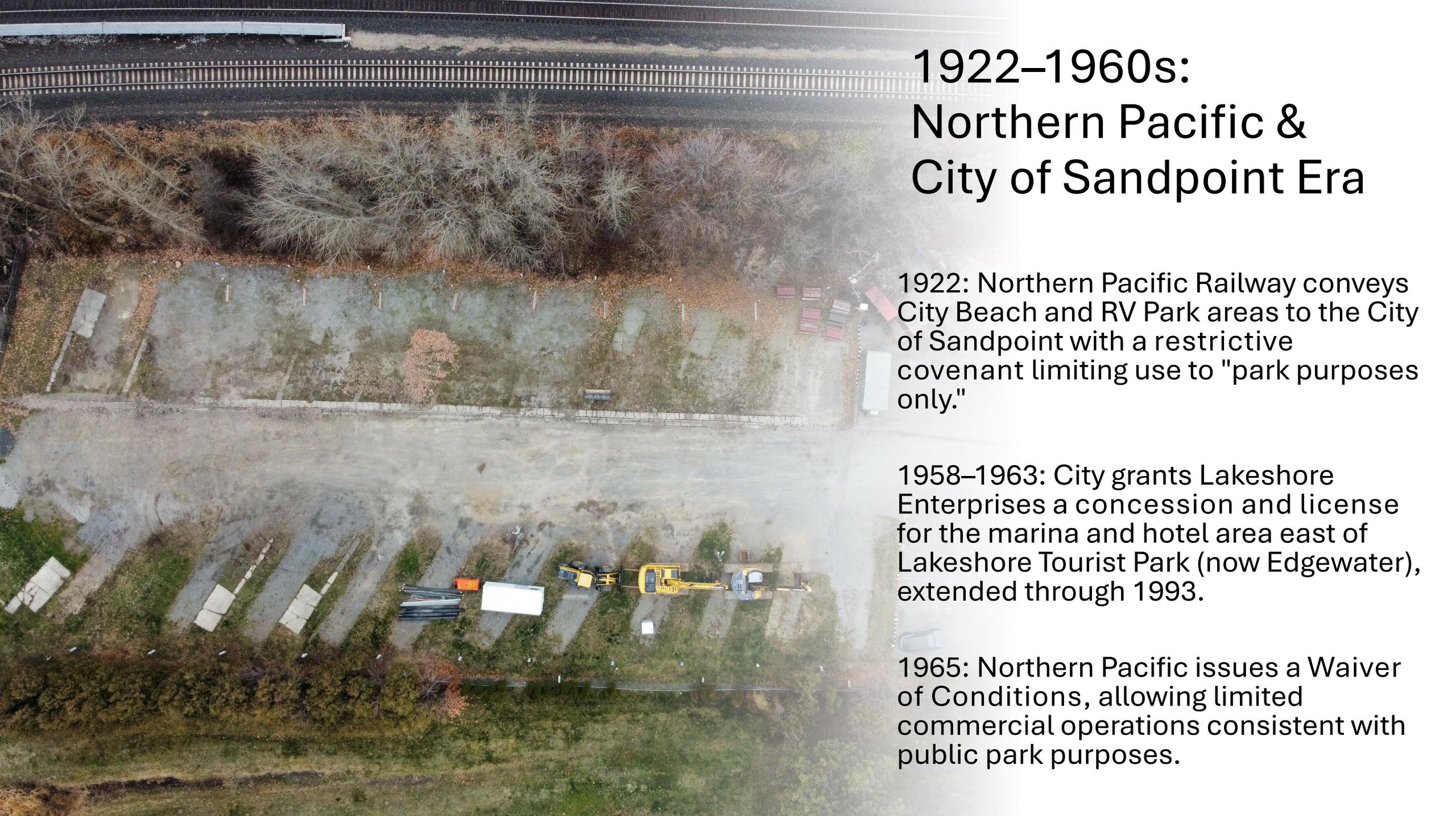
by Planning & Community Development Director Jason Welker

Purpose of presentation

Before you tonight is a request from Averill Hospitality Group to either lease or purchase the City-owned RV Park property at City Beach Park.

This presentation and the accompanying staff report are intended to provide as complete a picture possible for Council and the public on the history of lease agreements and property exchanges between multiple parties at the site of the RV Park, the current Edgewater Resort, the lawn and beach area east of the resort, and at the Windbag Marina.

All information herein is based on available public records going back to the mid-20th century, up to email correspondence that occurred as recently as this week.



1922–1960s: Northern Pacific & City of Sandpoint Era

1922: Northern Pacific Railway conveys City Beach and RV Park areas to the City of Sandpoint with a restrictive covenant limiting use to "park purposes only."

1958–1963: City grants Lakeshore Enterprises a concession and license for the marina and hotel area east of Lakeshore Tourist Park (now Edgewater), extended through 1993.

1965: Northern Pacific issues a Waiver of Conditions, allowing limited commercial operations consistent with public park purposes.

1970s–1990s: Resort Development and City Partnerships

1984: City approves a lease with Robert A. Cox (Edgewater Lodge) for the **lawn area** between the hotel and City Beach. Lease allows **dock and pool improvements**.

1984–2004: Edgewater operates under Cox family lease; lease **later declared expired** after Robert Cox's death.





2000s: Land Settlements and Easements

2004: Property settlement among the City, Cox Family, and BVG Sandpoint:

- City confirms ownership of the “*Sandspur*” (now Windbag Marina) and adjacent public beach areas through recorded boundary adjustments.
- Cox Family retained use of the lawn area fronting the hotel under lease.
- Parties establish mutual access and utility easements (Dock Street/Sandpoint Ave).

2007: City executes new lease with Allen G. Cox Family LLC & Jacquita D. Cox for the lawn area east of Edgewater, reaffirming rights to five slips at the Windbag Marina.

- ***Lease Term: ten (10) years, effective January 1, 2008 through December 31, 2017; no automatic renewal language appears in the lease.***

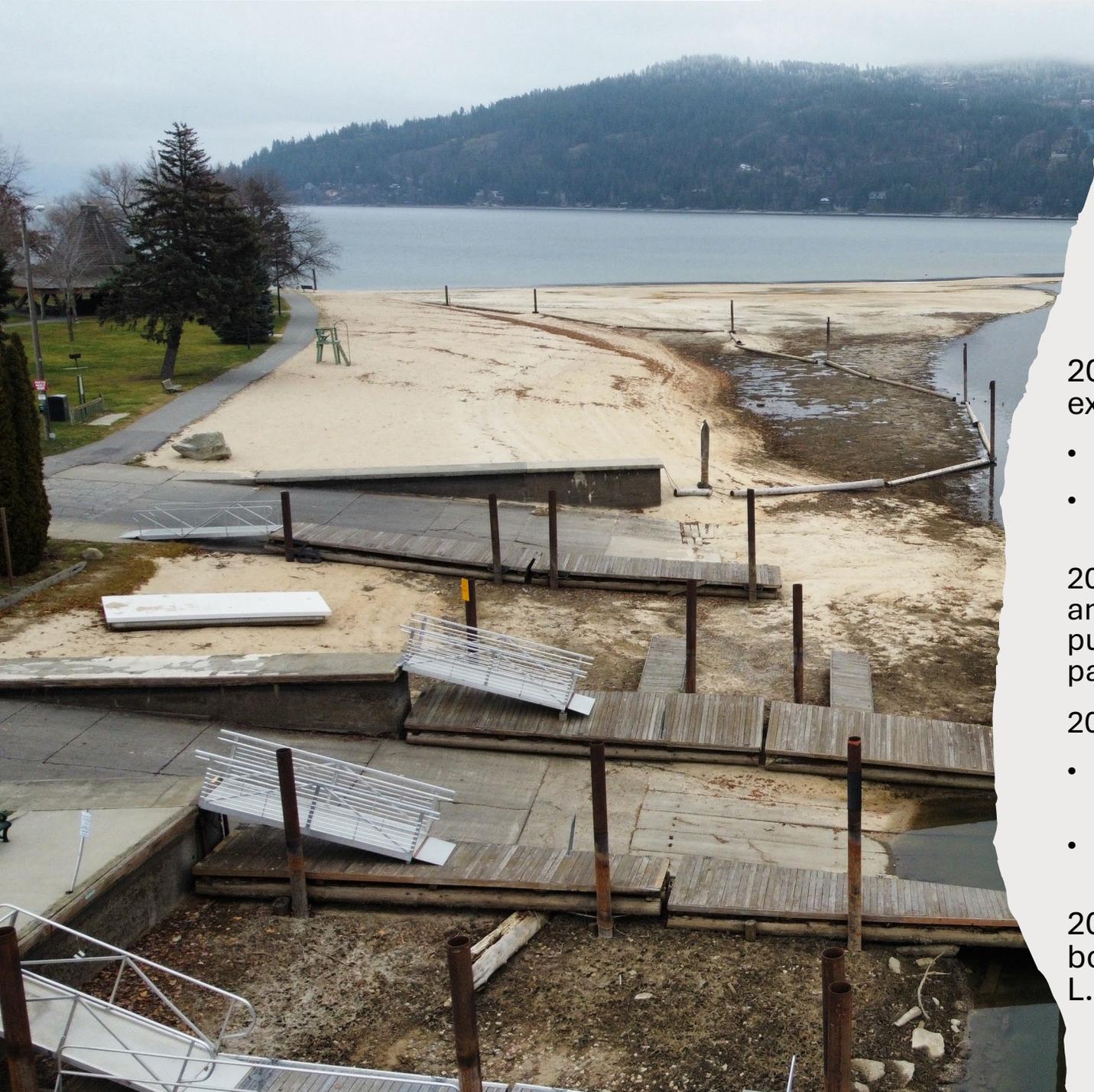


2010s: Property Consolidation by the Cox Family

2017: Lease Expiration and Extension Request

- **December 22, 2017:** Adrian Cox (Allen G. Cox Family LLC) submits a letter and email to City Attorney Scot Campbell and Parks Director Kim Woodruff, requesting an extension of the 2007 lease for the lawn area and five marina slips.
 - *This request was made less than ten days before the lease's scheduled expiration (December 31, 2017), falling **within** the 90-day minimum notice window required by the lease's renewal clause.*
 - *Because written notice was not provided at least 90 days in advance as required, the renewal option was not validly exercised. The lease therefore **expired December 31, 2017**, and the Cox Family continued occupancy as a **holdover tenant** until the 2022 property exchange.*

2018 (Sept. 14): Jacquita D. Cox conveys the Edgewater Hotel parcel to Allen G. Cox Family LLC, consolidating ownership of the resort property.



2020–2022: City–Cox Land Exchange and Averill Acquisition

2020 (Nov. 18): City and Cox Family approve a property exchange:

- City to acquire RV Park parcel (2.29 acres).
- Cox Family to receive the City-owned lawn parcel (1.53 acres) east of Edgewater.

2021 (Dec. 13): BNSF, the City, and the Cox Family execute an agreement re-recording the historic 1922 ‘park purposes’ covenant to apply specifically to the RV Park parcel.

2022 (Jan. 21): Two deeds recorded:

- City → Cox Family LLC: conveys the lawn parcel east of Edgewater
- Cox Family LLC → City: conveys the RV Park parcel with the BNSF park-use only covenant.

2022 (May 11 / recorded July 28): Cox Family sells both the Edgewater Hotel and lawn parcels to the Dan L. Averill Family Limited



2022 – Present: Averill Hospitality / Sandpoint Lakeside Resort

April 2023 – May 2024: Averill Hospitality (through Oz Architecture) submits applications for:

- Conditional Use Permit (PCUP23-0004) for a 296,000-sq-ft hotel/resort; and
- Variance (PVAR24-0001) for front setback flexibility along Bridge Street

June 18, 2024: Planning & Zoning Commission Approval:

- After a well-attended public hearing with broad support, the CUP and Variance are unanimously approved.
- Conditions require demolition of the existing Edgewater by September 2025 and allow three years for full build-out. These conditions were later extended by 1+ year in July 2025.



Fall 2024 – Summer 2025

November 2024: Averill requests a parking reduction from 240 to 145 stalls based on a Kimley-Horn parking demand analysis. Staff approve the reduction and in-lieu fees under former §9-5-1(E)

Spring 2025: Revised site concepts are shared with staff; preliminary versions are determined to deviate substantially from the approved CUP, though no formal amendment is filed.

June 2025: Staff advise Averill that the CUP will expire in July 2025 unless extended. Extension request filed on June 25.

July 22: P&Z Commission votes unanimously to grant a one-year extension of both approvals, now valid until July 22, 2026

August 2025: Averill representatives share further refined site plan; staff determines it is substantially compliant with approved CUP. Demo permit expected by September.



September 2025 - present

September 29: Averill's representative Ben McGrann emails the City requesting a lease of five slips (109-117) on the 100 Dock at Windbag Marina for exclusive resort guest use, proposing a 10-year term with automatic renewals

October 15: Letter from Dan Averill to the Mayor and Council - Averill states that the Sandpoint Lakeside Resort "will not proceed if the City redevelops the existing City Beach RV Park into any use other than parking." And proposes:

1. a 30-year lease at 110 % of projected net RV-park revenues, or
2. a purchase at fair market value via independent appraisal

Fall 2025, continued...

October 21-23:

- Planning staff notify Averill of the BNSF covenant restriction and request confirmation of whether they wish to proceed given the “park purposes” clause.
- Mayor Grimm and staff decline Averill’s request to co-author the staff report, explaining that staff reports must remain an independent City function.
- Averill responds with a position statement arguing that the RV Park is incompatible with the planned resort and proposing redevelopment as shared parking and event space rather than an RV facility





Fall 2025, continued...

October 27: Averill's local representative re-affirms to staff their intention to bring the RV Park proposal before Council on November 5 and provides the updated correspondence for inclusion in the packet

October 28: Email from Ben McGrann requests that the dock-slip lease item be withdrawn from the November 5 Council agenda, pending further review of historical agreements

October 30: Follow-up email from Ben McGrann reiterates the desire to meet with City staff to review the "historical context" of the five marina slips, suggesting the City may have prior obligations related to the hotel's historic use of those slips. City staff clarify that without Council action those slips will revert to the public rental pool at season's end

November 5: City Council Meeting - The Averill Group's RV Park lease or purchase proposal is scheduled for Council direction. The marina slip lease has been withdrawn from the agenda at the applicant's request.

Current Status (as of November 5, 2025)

- The CUP and Variance remain active through July 2026.
- No demolition or building permits have been issued.
- The RV Park property remains City-owned and subject to the BNSF “park purposes” covenant.
- City has received and signed grant agreement for \$950,000 RV Fund Grant from IDPR for RV Park design and construction.
- City has received and reviewed 6 statements of qualifications from engineering firms for RV Park & City Beach parking lot design and engineering services. Plan to recommend contract award later this month.
- Averill Hospitality continues to request a lease or purchase arrangement tied for RV Park property to the feasibility of their resort project.
- The request to lease five slips at Windbag Marina has been withdrawn by Averill Hospitality pending further discussions with City staff about the historic lease history and the City’s obligations under prior agreements; unless renewed, those slips will return to the public rental pool for the 2026 season.