



October 15, 2025

Dear Mayor Grimm and Council Members,

On behalf of Averill Hospitality, I would like to thank the City for its continued investment in improving Sandpoint's waterfront and for the collaborative spirit that has guided this process. We share the City's commitment to enhancing public access, strengthening the local economy, and preserving the natural beauty that defines Sandpoint.

However, I must be direct and clear: the Sandpoint Lakeside Resort project will not proceed if the City redevelops the existing City Beach RV Park into any use other than parking. The character, density, and proximity of an active RV park are incompatible with the level of guest experience, design quality, and market positioning of the proposed four-star waterfront resort. Proceeding with the RV park redevelopment would jeopardize the hotel's feasibility and eliminate the economic and community benefits this project is poised to deliver.

The resort represents a once-in-a-generation private investment in Sandpoint—creating new jobs, significantly expanding the tax base, and generating long-term revenue that supports the City's infrastructure and tourism economy. To protect that investment and ensure a compatible and cohesive waterfront plan, we respectfully request that the City formally commit to limiting the existing RV park site to parking use only, primarily serving vehicles and boat trailers for City Beach and marina users.

To strengthen this commitment and ensure a public benefit, Averill Hospitality is prepared to redevelop the current RV park parcel at our own expense into a high-quality, landscaped parking facility that improves aesthetics, circulation, and public access. This investment would relieve the City of redevelopment costs while enhancing the overall visitor experience along the waterfront.

Further, to support the City's financial objectives, we are offering two potential structures for this arrangement:

1. Long-Term Lease Option

- Averill Hospitality would lease the existing RV park property for use as improved boat and vehicle parking, ensuring continued public access.
- We would provide annual rent equal to 110 percent of the City's projected net revenues from the proposed RV park redevelopment.
- The lease would have a 30-year term with renewal options, providing the City with stable, long-term income without any capital or operational expense.

2. Purchase Option



- o Alternatively, Averill Hospitality is prepared to purchase the property at fair market value, as determined by an independent appraisal acceptable to both parties.
- o This would provide the City with immediate, unrestricted capital to reinvest in waterfront or community improvements while ensuring long-term compatibility and stewardship of the site.

We respectfully request that the Council pause all efforts related to the RV park and allow this proposal to be evaluated in good faith. Averill Hospitality is ready to meet immediately with City leadership to finalize a mutually beneficial agreement.

To be clear, the **Sandpoint Lakeside Resort cannot move forward without a binding agreement** that the adjacent parcel will be reserved exclusively for parking use serving City Beach and the marina. This is a critical condition for the project's success and for securing investor and lender confidence.

Thank you for your thoughtful consideration. We believe this path best aligns the City's financial and community interests with the shared goal of creating a world-class waterfront and a sustainable economic future for Sandpoint.

Sincerely,

AuthenticSign
A handwritten signature in black ink that reads "Dan Averill". The signature is written in a cursive style and is enclosed within a blue, rounded rectangular border.

Dan Averill
Owner
Averill Hospitality

10/15/25