



AGENDA REPORT

Planning & Zoning Commission Meeting

TODAY'S DATE: May 27th, 2025

MEETING DATE: June 3rd, 2025

TO: Chairman Dunkel and members of the Planning & Zoning Commission

FROM: City Planner Bill Dean and Planning & Community Development Director Jason Welker

SUBJECT: Reasoned Decision, File Nos PSPR25-0003 and PSPR25-0005, Farmin Flats Site Plan Review at 413 and 417 Church Street

A. INTRODUCTION

APPLICANT: OZ Sandpoint QOZB, LLC and OZ Sandpoint 2 QOZB, LLC

LOCATION: 413 and 417 Church Street, Sandpoint, Idaho

REQUEST: Approval of Site Plan Review Permits for two mixed-use multi-family/commercial buildings totaling 88 residential units and approximately 2,747 square feet of commercial space on two parcels (0.32 acres combined) located in the Commercial A (CA) zone.

B. RECORD CREATED:

1. Applications PSPR25-0003 and PSPR25-0005
2. Project narrative and site plans
3. Staff report dated May 15, 2025
4. Public hearing notice and mailed notification to property owners within 300 feet
5. Public hearing agenda and packet for May 20, 2025
6. Public comments (over 90 received) and agency comment letters
7. Public hearing transcript and Planning & Zoning Commission deliberation (May 20, 2025)
8. City of Sandpoint Comprehensive Plan and Zoning Ordinance

C. DELIBERATIONS SUMMARY

The Sandpoint Planning and Zoning Commission conducted a duly noticed public hearing on May 20, 2025, in accordance with Idaho Code §67-6512 and Sandpoint City Code. The meeting included a presentation by City staff, applicant presentation, public testimony, clarifying questions, and Commission deliberation.

Staff introduced the project as a site plan review for two new mixed-use buildings in the Commercial A zone. Staff clarified that the project is not requesting any variances, and both structures independently meet all code requirements for height, massing, civic space, façade design, and materiality.

The applicant detailed their intent to provide housing options targeted at workforce and moderate-income renters. The architecture was described as responsive to the downtown context, featuring brick

cladding, flat roofs, horizontal window patterns, civic space, awnings, and articulated front facades. Parking is not required due to the project's location within the Downtown Parking Exemption Boundary. Three off-street stalls are provided on-site. The applicant emphasized walkability and sustainable design.

Public testimony included comments from residents and representatives of the Highway District and nearby businesses. Concerns included:

- Lack of on-site parking and potential impacts on downtown availability.
- Alley access and delivery/loading operations.
- Tree removal along Church Street frontage.
- Winter snow removal and parking enforcement.
- Wastewater and stormwater infrastructure capacity.
- Fire and life safety compliance.

City staff and the City Engineer addressed these concerns. Staff noted that:

- A 2022 parking study showed only 57% peak occupancy of street stalls downtown.
- The city has over 1,600 public parking stalls in the downtown core.
- Tree removal in the right-of-way requires written approval by the Urban Forester, who may consult with the Tree Committee and/or City Council.
- A traffic impact study will be required as a condition of approval.
- Water and wastewater infrastructure have sufficient capacity, and long-term treatment upgrades are in planning.
- Snow removal policies, loading zones, and alley resurfacing can be managed during project buildout and permitting.

Commission deliberations focused on balancing infill and housing objectives with infrastructure and public service demands. Commissioners emphasized the need to require a traffic study, ensure alley condition improvements, and address public comments related to parking and infrastructure.

D. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The proposed use is allowed within the Commercial A zone. The mixed-use development is permitted under Sandpoint City Code §9-2-1-3.
2. The project meets Site Plan Review requirements. The project triggered site plan review and was properly processed and noticed.
3. The project complies with development standards. The design conforms to standards for massing, articulation, façade treatments, transparency, height, and civic space. The buildings are approximately 45 feet tall (well under the 65-foot maximum).
4. Parking requirements are satisfied. The project is exempt from off-street parking under SCC §9-5-1-F. The applicant voluntarily provides three off-street stalls.
5. Public infrastructure has capacity. Testimony confirmed sewer and water systems have capacity for the development. Stormwater management plans will be reviewed during civil permitting.
6. Traffic impacts require mitigation. As a condition of approval, a traffic study must be completed, with all mitigations implemented.
7. Public services can support the development.
 - Fire and life safety compliance will be reviewed at the building permit stage.
 - Coordination with Waste Management for solid waste collection is required.

8. Public concerns were heard and addressed. Issues raised during the hearing, including parking, alley access, tree preservation, and utility impacts, were thoroughly discussed and reflected in the Commission's conditions of approval.

E. DECISION AND CONDITIONS OF APPROVAL

The Sandpoint Planning and Zoning Commission hereby APPROVES Site Plan Review Permits PSPR25-0003 and PSPR25-0005, subject to the following conditions:

1. Before issuance of building permit, a final stormwater plan shall be reviewed and approved by the City Engineer.
2. Before certificate of occupancy, applicant shall record easements for the shared stormwater system, describing access and maintenance responsibilities between the two parcels. The draft easement documents shall be reviewed and approved by city staff before recording. Before issuance of building permit, the stormwater plan shall be updated to show proposed easements.
3. Stormwater management plan for both buildings shall be revised to describe in detail the agreement and funding mechanism by which the owners of the two separate parcels will share the cost of operation and maintenance of the shared stormwater system.
4. Before issuance of building permit, the plans shall be updated to show future access easements for the shared sidewalk between buildings.
5. Before issuance of building permit, applicant shall provide evidence, to the satisfaction of the City Engineer, that the proposed roof materials and appurtenances will not have potential sources of contaminants as defined in City Code 11-3-1: harmful materials, including organic wastes, sediments, minerals, nutrients, thermal pollutants, toxic chemicals, and other hazardous substances.
6. Before issuance of building permit, a traffic analysis as required by city code 10-1-6-A-18 shall be reviewed and approved by the City Engineer. Applicant shall be responsible for proportionate share contributions to any affected city project identified in a city-council-adopted master plan. Proportionate share shall be determined by the approved traffic analysis. Applicant shall be responsible for any extraordinary impacts, identified in the approved traffic study, which result in portions of the city street network falling below acceptable level of service, as described in city code 12-1-12.
7. Before issuance of building permit, applicant shall submit a utility service plan, prepared by a professional engineer, to be reviewed and approved
8. Prior to issuance of a building permit, the building permit shall demonstrate that the plans are substantially compliant with the site plan, landscape plan and architectural elevations reviewed as part of this Site Plan Review permit (PSPRP25-0003 and 0005).
9. Prior to any certificate of occupancy the developer shall re-surface the existing alley to the rear with asphalt pavement along the entire length of the alley to the satisfaction of the City engineer.
10. Before issuance of building permit, the applicant shall coordinate with the City engineer on the inclusion of a loading zone either in the front of the buildings on Church Street or in the alley in the back that would be useable year-round by both residents of the apartments and tenants in the commercial spaces.

F. APPEALS

This Reasoned Decision constitutes final action by the Planning and Zoning Commission. Appeals may be submitted to the Sandpoint City Council within fifteen (15) days of this decision.

Signed this 3rd day of June, 2025.

Mose Dunkel, Chair Sandpoint Planning and Zoning Commission